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# ***Daily Report***

# **China**

FBIS-CHI-92-080  
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# Daily Report

## China

FBIS-CHI-92-080

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24 April 1992

**NOTICE TO READERS:** An \* indicates material not previously disseminated in electronic form.

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## General

### Further Reportage on ESCAP Meeting Conclusion

#### **Qian Qichen Speaks**

OW2304210192 Beijing XINHUA Domestic Service  
in Chinese 1345 GMT 23 Apr 92

[By reporters Sheng Zuren (4141 4371 0088) Chen Ming (7115 6900)]

[Text] Beijing, 23 April (XINHUA)—After adopting 12 resolutions and 42 reports, the 48th session of the Economic and Social Commission for Asia and the Pacific [ESCAP] ended at the Great China Hotel today, marking the successful conclusion of the first ESCAP session held in China—the commission's birthplace—in 45 years.

Speaking at the closing ceremony, Qian Qichen, the session's chairman and China's state councilor and minister of Foreign Affairs, said: "This Beijing session is extremely significant in many areas." He said: "The governments of various member countries expressed a political will to promote economic ties and expedite the region's economic development and prosperity. The unanimous adoption of the Beijing Declaration on enhancing economic cooperation in the region is itself an expression of such a political will. I see this move as the most significant achievement of the session. Of particular significance is the participation of approximately 40 ESCAP member countries in cosponsoring the declaration."

The session has achieved gains in many areas, from recruiting new members, promoting economic development, and reaching various resolutions to conducting structural reform, encouraging social development, and formulating work plans. This is extremely conducive to strengthening cooperation in the Asia-Pacific region.

The 10-day session was attended by distinguished guests. The UN secretary general, Kiribati's vice president, and 28 government ministers and several hundred high-ranking officials from various countries and areas in the Asia-Pacific region held extensive discussions and reached an ever-deepening common understanding on the prospects, priorities, and policy options for cooperation in the region.

Today, the session adopted the Beijing Declaration on promoting economic cooperation in the region and set the guiding principles and priorities for regional cooperation, thus giving new impetus to enhancing economic cooperation in the Asia-Pacific region.

The session's adoption of resolutions on "The Asian and Pacific Decade of Disabled Persons" and "The Social Development Strategy for the Asia-Pacific Region in the Year 2000 and Beyond" indicates the substantial amount of attention devoted to the region's social development issues.

Delegates from Fiji, Japan, the Philippines, India, Mongolia, Pakistan, Russia, the United States, and China spoke in turn at the closing ceremony. They fully affirmed the positive achievements of the session, praised the delegates' spirit of cooperation and equality, and signaled an intention to enhance cooperation and exchanges and make due contributions to development and common prosperity in the Asia-Pacific region.

Qian Qichen said: "The Asia-Pacific region's adoption of an attitude of greater unity and a stronger voice in global affairs is an important factor in ensuring greater stability and equilibrium in the world situation, laying a more solid and enduring foundation for exchanges and cooperation between this and other regions."

ESCAP Executive Secretary Ahmed said: "The delegates articulated their views on the region's basic policy issues, held wide-ranging discussions, and formulated general and specific policies for ESCAP's work in the next year." He expressed the hope that various member and associate member countries will support ESCAP's work and earnestly implement the adopted resolutions.

On regional cooperation, Qian Qichen said: It is particularly heartening that ESCAP has paid special attention to enhancing economic cooperation in trade and investment within the region. "This has further strengthened the growing mutual dependence for existence and mutual complementarity within the region. The agreement reached by the session on the guiding principles for regional economic cooperation—respect for diversity, openness, equality and mutual benefit, common prosperity, and consensus-building through consultation—will no doubt give new impetus to enhancing regional economic cooperation."

He said: The session is drawing up new courses of action for ESCAP, giving the region a new direction. The move is timely and necessary. Bold and innovative measures must be adopted to deal with the revival and impetus that have generally appeared in the region—revival and impetus that ESCAP wants very much to spread to less dynamic countries and economic entities.

The session's chairman, however, admonished the delegates to bear in mind that "Though it has been full of vigor recently, Asia still has the largest number of people who are utterly impoverished, illiterate, malnourished, and socially deprived. This matter is very serious. We should steel our determination to solve problems like this so as to sustain our newfound dynamism and exploit the growing momentum to bring the region's least developed countries and developing island nations into the mainstream of development."

In conclusion, Qian Qichen exhorted ESCAP members: "Let us all resolve on active pursuit of the lofty goals set by the session."

**More on Closing Remarks**

OW2304141592 Beijing XINHUA in English  
1405 GMT 23 Apr 92

[Text] Beijing, April 23 (XINHUA)—As it is getting more united and its voice stronger, the Asia-Pacific region has become more important to a stable and balanced world, China's Foreign Minister Qian Qichen said here today.

Such an enhanced unity will also lay a more solid foundation for the exchange and cooperation between the Asia-Pacific and other regions, he added.

He made the statement while speaking at the closing ceremony of the 48th Session of the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP).

Qian, who is chairman of the session, noted that ESCAP's members and associate members, though their natural conditions, political and economic systems and developing stages are different, all actively voiced their opinions and worked together to ensure the success of the session.

The fruits of the session, he said, fully reflected the problems of concern to the people of the region and made it clear that the direction for the cooperation and priorities of the region should conform with the region's conditions and be decided by the people of the region.

This, he said, reminded people of the spirit of the Bandung Conference in 1955. "Obviously, it is a positive result of the improved situation in the region in the recent years and an inevitable outcome of the development of history," he added.

With a history of being bitterly oppressed and exploited, the Asia-Pacific region got over the prolonged conflicts after the World War Two and began to strive for stability, development, unity and cooperation, he said.

"This benefits not only the people of the region but also the world as a whole," he went on.

Qian drew attention to the problems still facing Asia, such as the largest number of the absolute poor, the illiterate, the malnourished and the socially deprived.

"This should steel our determination in dealing with such problems so that the new found dynamism can be sustained and the growth impetus spread to bring in the region's least developed and island-developing countries into the mainstream of development," he said.

He pointed out that a crowning achievement for the session lies in the unanimous adoption of the Beijing Declaration on enhancing regional economic cooperation, because it manifested the political will of the member governments to foster closer economic ties and to accelerate regional economic development and prosperity.

The declaration was co-sponsored by 37 ESCAP member countries.

**Qian Qichen Press Conference**

OW2304202992 Beijing XINHUA Domestic Service in Chinese 1417 GMT 23 Apr 92

[By reporters Zhou Shuchun (0719 2885 2504) and Lu Jing (4151 0513)]

[Text] Beijing, 23 April (XINHUA)—Speaking at a joint press conference this afternoon with Rafeeuddin Ahmed, executive secretary of the UN Economic and Social Commission for Asia and the Pacific [ESCAP], Qian Qichen, chairman of the 48th ESCAP session and China's state councilor and minister of foreign affairs, said: The just-concluded "session has enhanced understanding, promoted cooperation, reached a common understanding, and achieved ample results."

Qian Qichen first related the session's main achievements. He said: Wide-ranging discussions on various topics were held at the session. A consensus was reached and a number of resolutions were adopted on the theme of this annual session—prospects, priorities, and policy options for cooperation in the Asia-Pacific region.

He said: The Beijing Declaration that the session adopted on promoting regional economic cooperation sets the guiding principles and priorities for regional cooperation and gives new impetus to enhancing economic cooperation in the Asia-Pacific region.

He added: The session's adoption of resolutions on "The Asian and Pacific Decade of Disabled Persons" and "The Social Development Strategy for the Asia-Pacific Region in the Year 2000 and Beyond" indicates the importance attached to the region's social development issues. The resolution on "The Restructuring and Reform of Intergovernmental Agencies Affiliated with the Economic and Social Commission for Asia and the Pacific" will help improve efficiency and work methods to enable member countries in the region to play a more effective role in ESCAP's work.

Ahmed praised ESCAP member countries for the constructive esprit de corps they displayed during the session, noting in particular how the positive roles played by the Chinese delegation and the session's chairman Qian Qichen had had an extremely important effect on the conference's success.

Replying [to] reporters' questions on the Beijing Declaration's significance, Qian Qichen said: The document marks a new starting point for enhancing regional economic cooperation under the new situation and within the ESCAP framework. It carries extremely important significance.

Assessing the prospects for China's cooperation with other countries and areas in the Asia-Pacific region, he said: China has always put a premium on cooperation with the countries and areas in the region. Its current

efforts to speed up the reform and opening program portend extremely broad prospects for developing cooperation with those countries and areas. In particular, cooperation in trade, investment, and technological transfer within the region is expected to increase.

He continued: China enjoys very good cooperative relations with ESCAP. The two sides have often held consultations on cooperative projects. Acting within its means, China has provided funds and donations to support ESCAP's work on agreed-upon projects. Apart from making donations to various ESCAP special committees, China has provided ESCAP with funds totaling some \$2.7 billion and 7.3 billion yuan each year.

Speaking on China's relations with the United Nations, Qian Qichen said: China attaches importance to the UN's role in maintaining peace, especially its unique role of mediating interstate conflicts. He reaffirmed China's consistent support for the roles played by the United Nations and its secretary general in those matters.

On the situation in Afghanistan, Qian Qichen said: China has expressed worries about the development in Afghanistan and signaled support for the UN's plan for seeking a fair and rational solution to the Afghan issue. It is China's hope that a bloody conflict will be avoided.

#### **Further on Press Conference**

OW2304143092 Beijing XINHUA in English  
1421 GMT 23 Apr 92

[Text] Beijing, April 23 (XINHUA)—State Councillor Qian Qichen said here today that China's accelerated pace of reform and opening to the outside world presents broad prospects for cooperation with other Asia-Pacific countries and regions.

The Chinese foreign minister pointed out that cooperation related to trade, investments and technology transfers with rest of the region will "expand greatly."

Qian made the remarks today during a press conference he gave as chairman of the 48th Session of the UN Economic and Social Commission for Asia and the Pacific (ESCAP) which closed earlier today.

China has always and will continue to attach great importance to cooperation with these countries and regions, said Qian.

Referring to China's "very good relations and cooperation" with ESCAP, Qian said that the two sides have often consulted on cooperative projects, and he noted that in order to support ESCAP undertakings, China provides funding and donations within its capacity and in line with project requirements.

He said that China provides over 270,000 U.S. dollars and 730,000 yuan annually to ESCAP, in addition to its donations to special committees.

#### **More Details**

HK2404033592 Hong Kong SOUTH CHINA MORNING POST in English 24 Apr 92 p 13

[By Geoffrey Crothall in Beijing]

[Text] Foreign Minister Mr Qian Qichen yesterday dismissed calls for an Asia-Pacific conference on peace and security, saying the political situation in the region was "very positive".

"Regional hot spots, such as the situation in Cambodia, are gradually being resolved and therefore I do not see the need for such a security conference," Mr Qian said.

Mr Qian did, however, express concern over the deteriorating situation in Burma and the possibility of a fundamentalist Muslim regime being installed in the Afghan capital, Kabul.

"We do not approve of mixing politics and religion and we hope that the Afghan people will arrive at a reasonable settlement of the problems in their country, according to the United Nations peace plan," he said.

"There is, however, still the possibility of a large-scale conflict in Afghanistan and we hope that this possibility can be avoided," he added.

Mr Qian's unexpectedly frank comments on Afghanistan came amid, so far unconfirmed, reports of renewed ethnic violence in China's predominantly Muslim region of Xinjiang.

A journalist in the Kazakhstan capital of Alma Ata has reported that Chinese troops opened fire on a large independence demonstration in the far western city of Kashgar on March 8 this year.

The report was said to have been based on accounts from Muslims who had fled across the border to Kazakhstan.

Turning his attention to Burma, Mr Qian said China was "very concerned" at the flight of refugees from that country, several of whom have crossed the border into China.

Mr Qian confirmed that refugees had crossed into the southwestern province of Yunnan but said he expected most of them to return to Burma within a few months.

"We have also expressed our hope that Burma and Bangladesh, both of whom are friends of China, will try to negotiate a settlement of the refugee problem," Mr Qian said.

"The West has adopted a policy of isolating Burma, but China as a neighbouring country cannot do this. We have to keep in contact with Burma in order to solve problems occurring on the border, particularly the recent increase in drug smuggling and other criminal activity that has occurred there," he said.

**Liu Hauqiu Praises Session**

OW2304130492 Beijing XINHUA in English  
1255 GMT 23 Apr 92

[Text] Beijing, April 23 (XINHUA)—Liu Hauqiu, deputy head of the Chinese delegation to the 48th ESCAP session, said here today that the Beijing Declaration adopted unanimously at the session, "will have a far-reaching impact on the development and prosperity of the region."

Liu, who is also Chinese vice foreign minister, was speaking at the closing ceremony of the 10-day session.

"As a result of extensive discussions at the session," said Liu, "a greater consensus has been reached on the current political and economic situation as well as the opportunities and challenges faced by the world, the Asia-Pacific region in particular."

According to Liu, progress has been made in a number of areas, from admission of new members to structural reform, from promoting economic growth to advocating social progress, from adoption of resolutions to formulation of work programs.

The vice foreign minister noted that a number of resolutions adopted at the session "will be very helpful to the strengthening of regional cooperation." They include resolutions on restructuring the inter-governmental structure subsidiary to the commission, on the ministerial meetings concerning industry, science and technology, and transport and communications, as well as on population, social development and the decade of disabled persons.

Liu pointed out in his address that the session has also deepened mutual understanding and enhanced the awareness of the Asia-Pacific community.

**ESCAP Official Comments**

OW2304103592 Beijing XINHUA in English  
0951 GMT 23 Apr 92

[Text] Beijing, April 23 (XINHUA)—A senior ESCAP official said that the Asia-Pacific region will demonstrate its preeminent role in the world as an economic and social entity and will have a proper part to play in the international community if countries in the region can properly settle their existing problems.

In an interview with XINHUA here today, ESCAP Executive Secretary Refeeuddin Ahmed said that Asia-Pacific region "has perhaps a brighter prospect" in terms of development compared with the other regions in the world.

He noted that the region has been very vigorous in the past years in economic development. It has the world's most populous countries like China and India. Apart from the developed countries such as Japan, Australia and New Zealand, the region is also inhabited by the least-developed countries which are confronted by many particular problems resulting from their geographical

positions. Some of the countries are experiencing the transition from a centralized planning economy to a market economy.

The secretary said that in the coming 21st century and even the time after that, countries in the Asia-Pacific region need to continue their economic liberalization or open policies.

These countries should not only be encouraged to develop themselves, but their regional cooperation should be facilitated in trade, investment, technology and infrastructure, said Ahmed.

Since the region is inhabited by the bulk of the world's poorest people, he stressed, to alleviate and eventually eliminate poverty should be a major emphasis of the regional development so that all the people in the region could enjoy a better quality of life.

The region also faces problems in environmental protection, sustained development, development of human resources and employment, according to the secretary.

As the only intergovernmental organization in the region, ESCAP will devote itself to settling the main issues of the region and to promote the regional cooperation to meet the needs of all the countries in the region, said Ahmed.

The secretary pointed out that once the region surmounts its current economic and social difficulties, it will have the opportunity to play a bigger role in promoting world peace and development.

Peace means not only the absence of conflicts, but also the exchanges, mutual understanding and cooperation between the countries he said.

Ahmed said that the Beijing Declaration adopted by ESCAP today will present the cooperation opportunities more clearly to the members of ESCAP. The recent years have seen the opportunities created by the countries in the region in trade, investment, technology, infrastructure and other fields. The Beijing Declaration will give these cooperations another impetus.

On the cooperation between China and ESCAP, the secretary said that he has visited China a dozen of times since he first came to Beijing in 1958 as the official with the Pakistani Embassy. He has witnessed the great changes that have taken place in the country over the past 30 years, and China's support for ESCAP's work in many aspects.

Ahmed said ESCAP expects to strengthen the cooperation with China in the future, because it will be conducive to ESCAP and the countries in Asia-Pacific region as well.

### RENMIN RIBAO Hails Session

OW2404030292 Beijing XINHUA in English  
0243 GMT 24 Apr 92

[Text] Beijing, April 24 (XINHUA)—The PEOPLE'S DAILY [RENMIN RIBAO] today carries an editorial hailing the successful conclusion of the 48th session of the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP).

The Beijing-based national paper said that the spirit of seizing opportunities, meeting challenges and creating the future reflected at the meeting will inspire the people of different countries and regions of the Asian and Pacific region to work for the joint objective of economic development and common prosperity.

According to the editorial, the ESCAP was fruitful and it has promoted understanding and cooperation among these countries and regions and enabled them to exchange ideas and opinions so as to share common views.

The "Beijing Declaration on Regional Cooperation", which was adopted at the ESCAP, will help facilitate the coordinated development of the regional economy and maintain peace in the region and create a bright future of the region.

Reviewing the history, the editorial said the ESCAP has made an outstanding contribution to boosting the regional economic development and common prosperity and cooperation among its member states. It has also lent a helping hand to China's economic development and the reform and open policies.

The editorial was convinced that the Asian and Pacific Region will have brighter future so long as countries in the region respect each other, maintain equality and mutual benefit and strengthen cooperation and develop jointly.

### Beijing Paper Views New U.S.-Russian Relations

HK2104095792 Beijing SHIJIE ZHISHI in Chinese  
No 5, 1 Mar 92 pp 7-8

[Article by Chen Jiejun (7115 2638 6511): "From U.S.-Soviet to U.S.-Russian Relations—Russian-U.S. Camp David Summit Meeting]

[Text] Inheriting the Soviet Union's international legacy, Russia intends to continuously act as a global political power, and in view of its self-interest, the United States has, to a certain extent, acquiesced to Russia's intention.

As soon as the first summit of the UN Security Council closed, Russian President Boris Yeltsin conducted a one-day working visit to the United States on 1 February. At Camp David, the U.S. President's hillside villa, he talked with George Bush for more than three hours on such issues as Russian-U.S. bilateral relations, nuclear disarmament, nuclear non-proliferation, and global security in an atmosphere which was "not antagonistic

but friendly." They signed a six-point "Camp David Declaration Concerning New Bilateral Relations" after the meeting.

The most prominent topic of discussion in this meeting was how to develop Russian-U.S. relations. Both parties agreed not to "treat each other as a potential enemy," and U.S.-Russian relations "will be established on the basis of mutual trust and respect with a view to making joint efforts to develop friendship and partnership in the interests of democracy and economic freedom." Both parties also pledged to make every possible effort to widely expand contact and "actively promote economic cooperation between the two countries."

Before the meeting, Bush and Yeltsin had announced their own proposals of unilateral nuclear disarmament schemes on 28 and 29 January, respectively, and urged each other to take corresponding steps. During the meeting, both parties reaffirmed their aims. Bush proposed to completely destroy all land-based multi-warhead ballistic missiles possessed by both parties, and reduce strategic nuclear warheads to 4,500-5,000 for each side (member countries of the Commonwealth of Independent States [CIS] possessing nuclear weapons must transfer those weapons to Russia for destruction). Yeltsin even went further and proposed to reduce strategic nuclear warheads to 2,000-2,500 for each side, and reaffirmed that Russian nuclear weapons would no longer be trained on the United States. But the United States did not confirm any plan to adjust its nuclear strike targets. On 18 February, James Baker visited Moscow and met Russian Foreign Minister Andrey Kozyrev. Both parties consented to discuss the installation of a warning system to take precautions against possible firing of ballistic missiles, and agreed that future talks on armament control would be conducted directly between foreign ministers of the two countries.

Nuclear non-proliferation is the issue which the United States has cared most about all along. During the meeting, Yeltsin declared that he had taken actions to hugely increase wages of 2,000 Russian nuclear experts to keep them and to prevent proliferation of nuclear technology. On the other hand, Bush proposed to set up a joint center in which U.S. scientists and over 2,000 nuclear scientists from the former Soviet Union, who were about to be unemployed, would be able to conduct research together. However, Yeltsin did not clearly respond to it.

With regard to the issue of global security, both parties asserted that they would "make every effort to support" "the worldwide peaceful transformation," "peacefully solve regional conflicts," "fight against terrorist acts, crack down on drug trafficking activities, and prevent environmental deterioration."

The heads of Russia and the United States met hastily, just a little more than a month after the Soviet Union had been dissolved. It shows that with the end of Soviet-U.S. relations,

both parties considered a swift readjustment of U.S.-Russian relations to be an urgent need.

Russia has three intentions: First is to seek assistance from the West, especially the United States, to remedy its messy domestic situation; second is to completely inherit the former Soviet Union's international legacy by establishing new U.S.-Russian relations so as to continuously play the role of a global political power; third is to wipe out the memory of Mikhail Gorbachev and build up Yeltsin's new image to elevate "new" Russia's international prestige.

The United States dares not overlook the Russian Federation since the latter is still a power in every aspect and, in particular, it still has tremendous potential in military industries. To establish a new world order with itself as the center, the United States must keep in touch with Russia, "a force which cannot be neglected." In addition, the most urgent concern is that the CIS' future is uncertain, hence the United States is eager to influence the situation and development track of the CIS with the aid of Russian strength, preventing any major turmoil that will jeopardize European or even U.S. interests. The United States pays special attention to the Russian inheritance of almost all the nuclear legacy of the late Soviet Union, including nuclear designs, nuclear manufactures, current strategy, and tactical nuclear weapons. To guard against nuclear proliferation, the United States should negotiate mainly with Russia.

The Camp David meeting marked the beginning of state-level relations between Russia and the United States, and it also laid down a foundation of mutual trust in certain areas. Although Russia had proclaimed itself an autonomous republic on 12 June 1990, the U.S. response was apathetic because it did not want to jeopardize the then U.S.-Soviet "partner relations." In June 1991, when Yeltsin visited the United States in the capacity of Russian president, he was treated by the U.S. Government as a mere local administrator, and an ASSOCIATED PRESS commentary viewed the White House meeting held between Yeltsin and Bush as "unofficial." Hence, there had never been a U.S.-Russian summit until the Camp David meeting, which marked "the beginning of a new era" (Bush's words) in Russian-U.S. relations.

Meanwhile, the United States starts approaching Russian-U.S. relations from the high plane of global strategy. The Russian-U.S. Joint Declaration is very similar to past U.S.-Soviet joint declarations, both in contents and wording, which implies that the Russian intention to inherit the former Soviet Union's international legacy and continuously act as a global political power has been, to a certain extent, tacitly agreed to by the United States. During the meeting, both parties "agreed to discuss" "the proposal for a joint development of a worldwide missile-defense system," and indicated that they "would actively strive, with joint efforts," to cope with general international issues of major concern, including proliferation of mass destruction weapons, regional conflicts,

terrorism, and drug trafficking. Does it possibly herald a certain form of coordination and cooperation between Russia and the United States in the future global security strategy? There are quite a number of signs to give us much food for thought.

The Camp David meeting also laid bare the fact that there are still plenty of divergencies and contradictions in Russian-U.S. relations. Before the Camp David meeting, Kozyrev had already leaked information that in the following meeting, the two heads of state would "practically go into details" about their respective nuclear disarmament schemes announced a few days earlier. However, viewing from the results of the meeting, both parties did not reach any detailed agreement on reciprocal reduction of nuclear weapons and the United States did not pledge to grant new aid to Russia, they merely issued a six-point declaration guiding the bilateral relations and decided through consultation the reciprocal visit schedule of their leaders. A REUTERS news analysis commented on it, saying when Yeltsin returned to his country, he "would have nothing to declare to customs in Moscow."

### Bush Encourages Business With Former USSR

OW2204043692 Beijing XINHUA in English  
0239 GMT 22 Apr 92

[Text] Washington, April 21 (XINHUA)—President George Bush told the American business leaders that his administration is committed to helping them expand trade and investment in the former Soviet republics.

"I'm absolutely committed to giving American companies every opportunity to compete in these markets," Bush said before a White House meeting with chief executives of business giants such as Rockwell International, Chevron, Motorola, Texaco and Monsanto.

"The American private sector should seize this opportunity to do business with these countries, it's a vast and rich market, and expanding our business ties will benefit the American people," Bush said.

He said that the United States increased exports of manufactured goods to the lands of former Soviet Union by nearly 40 percent in 1991 and "we should aim to do even better this year and next."

According [to] U.S. Commerce Department statistics, the United States accounted for less than four percent of manufactured imports into the Commonwealth of Independent States and the investment has been small as well, totaling 400 million dollars.

Bush said that he has ordered federal agencies to accelerate current negotiations on trade, investment and tax treaties with former Soviet republics and expand their roles of supporting trade and investment in the republics.

He also called on Congress to pass the omnibus bill on aid to former Soviet Union before Russian President Boris Yeltsin's visit here in June.

He had instructed the secretary of commerce to create business development committees with Russia and other republics to eliminate trade barriers between the United States and them, Bush added.

### RENMIN RIBAO on GATT MFN Disputes

HK2404025292 Beijing *RENMIN RIBAO* in Chinese  
7 Apr 92 p 7

[Article by Guo Ji (0948 4949): "Dispute Over Exception of Most-Favored-Nation (MFN) Treatment on Service Trade Agenda"]

[Text] The Uruguay Round of GATT talks is proceeding with difficulties and more disputes have been aroused near its conclusion. Recently, the United States has been disputing with the EC about the issue of exception of MFN treatment regarding service trade.

"The General Agreement on Service Trade" (Draft), which has been drawn up after more than five years of negotiations, is the first modern multilateral agreement concerning the regulation of service trade, and one of its basic principles is precisely multilateral MFN treatment. The draft agreement's Article 2 stipulates that all signatories should immediately and unconditionally grant MFN status to other signatories and people who render services. In case one of the signatories fails to offer a certain special preferential treatment to all other signatories, then it should follow the set procedures and apply for an exception to MFN treatment.

According to the regulations, negotiating parties which are to sign "The General Agreement on Service Trade" can apply for exception to MFN treatment before the agreement takes effect, and to apply for it, they must provide detailed information, such as the subjects of measures concerned, concrete content of the special treatment concerned, effective period of exception, and reasons to support the application.

In March 1992, all parties handed in their respective detailed lists for the exception to MFN treatment to the "Uruguay Round" service trade negotiating group. Of these, the United States forwarded broader areas and more items of exception to MFN treatment, thus arousing the concern of various countries.

The United States specified nine service sectors in its exception list: sea transportation, finance, land utilization, legal services, tourism, telecommunications, air transportation, personnel alterations, and inland transportation; and there are altogether 19 specific measures related to the exception to MFN treatment. The U.S. negotiating officials said: Except for the sea transportation exception measure, which must be definitely retained, that of other sectors is negotiable, and whether the United States will withhold MFN treatment to a country will depend on how far that country opens its markets to the United States.

In the service trade negotiating group's plenary session held 25 March, delegates from the EC and some other countries queried the U.S. exception list. The EC held that four key service sectors included in the U.S. exception list, namely, sea transportation, finance, telecommunications, and air transportation, accounted for 75 percent of the gross value of world service trade. If exception of multilateral trade regulations applies to these sectors, then the real effects of the service trade multilateral agreement would be reduced, and this move would be considered some sort of extra pressure exerted on the EC in the negotiations on agricultural product subsidies. However, the United States held that numerous service trade barriers also exist within the EC, only they had not been specified in the exception lists. It can be seen that various parties are still haggling about these issues.

All service trade talks parties are currently participating in the negotiation on preliminary commitment being held in Geneva, and each country is to promise access to its own domestic market in various service sectors and the granting of preferential treatment to citizens. The negotiation outcome will go on a concession list, which will be signed and come into effect with "The General Agreement on Service Trade."

### Yang Shangkun Appoints, Removes Ambassadors

OW2304142092 Beijing *XINHUA* Domestic Service  
in Chinese 1013 GMT 23 Apr 92

[Text] Beijing, 23 April (XINHUA)—In accordance with the decision made by the National People's Congress Standing Committee, President Yang Shangkun of the People's Republic of China has appointed and removed the following ambassadors:

1. Removing Wang Xingda (3769 5887 6671) from the post of ambassador extraordinary and plenipotentiary of the People's Republic of China to the Czech and Slovak Federal Republic.

Appointing Wan Youngxiang (8001 3057 4382) as ambassador extraordinary and plenipotentiary of the People's Republic of China to the Czech and Slovak Federal Republic.

2. Appointing Wang Xingda as ambassador extraordinary and plenipotentiary of the People's Republic of China to the Republic of Belarus.

### UNESCO Chief on Meeting With DPRK Leader

OW2304120892 Beijing *XINHUA* in English  
1110 GMT 23 Apr 92

[Text] Beijing, April 23 (XINHUA)—UNESCO director-general Federico Mayor said here today that the initiative on environment taken by China is significant, because this most populous country has a "strong voice" on that issue in the international community.

Mayor attended the inaugural meeting of the China Council for International Cooperation on Environment and Development on Tuesday and had discussions with senior Chinese officials on environment and other matters.

All he has seen and heard here indicates that China will open itself still wider to the outside world, he said at a press conference this afternoon.

Referring to his two-day visit to the Democratic People's Republic of Korea (DPRK), Mayor said that he signed an agreement on education, environment, communications and culture in Pyongyang.

He had a long meeting with President Kim Il-song who talked about DPRK's relations with South Korea and its position on inspection of nuclear facilities in the two parts of the Korean peninsula by the International Atomic Energy Agency.

He had an impression that the DPRK will have more contacts with the UNESCO and gradually open itself to the international community, Mayor said.

He told Chinese and foreign journalists present that he will visit Mongolia tomorrow where he will sign a memorandum of understanding on launching scientific and educational projects in that nomadic country.

#### New Council on Environmental Protection Formed

OW2204150492 Beijing XINHUA in English  
1448 GMT 22 Apr 92

[Text] Beijing, April 22 (XINHUA)—Chinese Premier Li Peng said here today that China's policy regarding environmental problems is to ensure that the environment is well protected while the country continues economic development.

Li made the remark during a meeting with foreign participants in a conference to establish the China Council for International Cooperation on the Environment and Development.

Environmental problems are global issues, said Li, adding that China welcomes influential persons and experts from throughout the world to offer suggestions and advice concerning environmental protection in China.

The premier welcomed the establishment of the Council, saying that pollution is likely to occur in China's pursuit of economic development.

According to Li, China can learn lessons from other countries that experienced heavy pollution during the course of industrialization. He stressed that China will try its utmost to avoid this situation.

The premier pointed out that the Council will provide a base from which China can seek advice from friends, as well as absorb and draw on the experiences of other

countries regarding economic development and environmental protection. He added that the Council will also provide a forum from which China can conduct international cooperation.

In a briefing on China's environmental protection effort, Li told the foreign guests that environmental protection departments have been established by various levels of government, and a series of policies and regulations have been drafted.

The premier stressed that development and environmental protection should proceed in hand, and adequate funding should be set aside to tackle major pollution problems. In addition, according to Li, new capital construction projects should be designed, constructed and put into operation at the same time as environmental protection projects.

China's key task is to tackle the pollution problems in cities, said Li.

He went on to say that China will continue to rectify its energy structure, and will promote the use of clean energy, as well as accelerate technical transformation, increase the efficiency of energy use and decrease pollution.

China will also adopt a series of measures to ensure that the environment is protected as the rural economy develops.

Six members of the Council, including Marcel Masse, president of the Canadian International Development Agency, offered a number of suggestions on the future work of the Council. China's environment and development, energy, ecological environment, establishment of environmental science organizations, promoting and using of new technology, and international environmental and development cooperation.

State Councillor Song Jian, who is also the minister of the State Science and Technology Commission, attended the meeting along with Qu Geping, director of the State Environmental Protection Bureau.

#### Central Eurasia

#### NPC Official Meets Kazakhstan Trade Delegation

OW2304121592 Beijing XINHUA in English  
1112 GMT 23 Apr 92

[Text] Beijing, April 23 (XINHUA)—Ni Zhifu, vice-chairman of the Chinese National People's Congress Standing Committee, met here this evening with a delegation from the Kazakhstan Federation of Trade Unions led by its president Jakselekov Ermek Magzamovich.

Ni is also president of the All-China Federation of Trade Unions.

The visitors arrived here at noon today for a goodwill visit to China at the invitation of the host federation.

The purpose of their current visit is to establish and develop friendly relations and cooperation between the trade unions of the two countries and to discuss with their Chinese counterparts matters on bilateral cooperation.

### Russian Economic Delegation Visits Heilongjiang

SK2304111292 Harbin Heilongjiang People's  
Radio Network in Mandarin 2200 GMT 22 Apr 92

[Text] Provincial Vice Governor Du Xianzhong met with an economic delegation led by Boris Petrovich Ivanov, head of administration of Chita Oblast government of the Russian Federation at Harbin's Huayuancun Guesthouse on the morning of 22 April. The four-member economic and trade delegation from the Chita Oblast of the Russian Federation has come to visit at the invitation of the provincial government.

On behalf of the provincial government, Vice Governor Du Xianzhong extended a warm welcome to the distinguished guests from afar. Both sides held talks on the provincial-oblast trade and economic cooperation. Vice Governor Du Xianzhong said: Heilongjiang has established trade relations with more than 50 enterprises of Chita Oblast and is willing to expand its economic, technological, construction, and labor service cooperation with Chita Oblast.

Ivanov, chairman of the government of the oblast, said: We are very pleased to come to visit Heilongjiang and hold talks on economic and trade cooperation. We believe that both sides will develop their cooperation in more areas.

### Tajik Parliament President Forced To Resign

OW2304105992 Beijing XINHUA in English  
1002 GMT 23 Apr 92

[Text] Moscow, April 23 (XINHUA)—Tajik Parliament President Safarali Kendzhayev resigned Wednesday while the opposition promised to give up their demonstrations, ending a month-long confrontation between the authorities and opposition.

The two sides reached an agreement in the Tajik capital Dushambe on Wednesday. The authorities agreed to replace the parliament leader. In return, the opposition promised to end Thursday their demonstrations which began on March 26.

The Tajik Parliament has accepted the resignation of Kendzhayev on Wednesday, according to the INTERFAX News Agency.

Kendzhayev told the Parliament that he took the step just to keep his republic peaceful and stable. The opposition has accused him of persecuting political dissidents.

Under the accord, five representatives from the opposition parties and movements will join the committee for drafting a new constitution.

### Ukraine Reaffirms Arms Limitation Commitment

OW2304120692 Beijing XINHUA in English  
1109 GMT 23 Apr 92

[Text] Moscow, April 23 (XINHUA)—Ukrainian Defence Minister Konstantin Morozov said Wednesday that Ukraine was ready to fulfill all the obligations stipulated in the Soviet-U.S. treaty on limiting strategic offensive weapons.

Briefing on his recent visit to the United States at a press conference in Kiev, Morozov said Ukraine was also prepared to sign the treaty of non-proliferation of nuclear weapons, UKRINFORM NEWS AGENCY reported today.

He said Ukraine will "persist in seeking an equal footing" in cutting strategic offensive weapons.

On Ukraine's tactical nuclear weapons, Morozov reiterated that an international supervision must be imposed on their shipping, storage and destruction.

### Unemployment in Russia Rises 'Four Fold'

OW2304144692 Beijing XINHUA in English  
1437 GMT 23 Apr 92

[Text] Moscow, April 23 (XINHUA)—The number of jobless people has surged more than four fold in Russia from July 1991 to February 1992, a Russian newspaper said today.

Official figures showed that 93,100 people have lost their jobs, of which only 20,000 receive unemployment benefits. About 30 percent of Russian urban residents fear losing their present jobs, the independent newspaper said on Thursday.

24 billion roubles will be injected into the state employment fund in 1992 as against 4.6 billion in 1991.

Experts believe that unemployment will reach its peak in the latter half of 1992.

### Northeast Asia

#### CPPCC Official Meets Japan-Asian Delegation

OW2204132292 Beijing XINHUA in English  
1221 GMT 22 Apr 92

[Text] Beijing, April 22 (XINHUA)—Ke Hua, a member of the Standing Committee of the National Committee of the Chinese People's Political Consultative Conference and vice-president of the China Association for International Friendly Contact (CAIFC), met with a delegation from the Japan-Asian Exchange Association here this afternoon.

The delegation, led by Yotaro Iida, vice-president of the Japan Economic Groups Federation and president of the Mitsubishi Heavy Industries Ltd., has been here to explore chances for further economic cooperation

between China and Japan and learn about the latest development of China's reforms and opening to the outside world.

The Japanese visitors arrived here today as guests of the CAIFC.

### PLA Celebrates DPRK Army Anniversary

OW2204112592 Beijing XINHUA in English  
1059 GMT 22 Apr 92

[Text] Beijing, April 22 (XINHUA)—More than 1,000 officers and soldiers of the Armed Force Engineering Institute of the Chinese People's Liberation Army (PLA) gathered here today to mark the 60th anniversary of the founding of the Korean People's Army.

Cai Kangsheng, the institute's president, gave a speech at the gathering.

Han Huaizhi, deputy chief of the PLA General Staff, and Chu Chang Jun, ambassador of the Democratic People's Republic of Korea to China, were among those present at the gathering.

### Trade With South Korea Said Picking Up

HK2404074692 Beijing CHINA DAILY in English  
24 Apr 92 p 2

[By staff reporter Zhang Yuan: "Sino-S. Korean Trade Picking Up"]

[Text] Sino-South Korean trade may hit \$10 billion this year due to a trade agreement that became effective in February this year, a South Korean trade official said on Tuesday in Beijing.

At present, China is South Korea's fourth largest trade partner after the United States, Japan and Germany, noted Park Chan Hyuk, director of the Beijing Representative Office of the Korea Trade Promotion Corporation (Kotra).

Last year, total trade value between the two sides reached \$5.84 billion, up 52 percent from the previous year's figure of \$3.85 billion.

Kotra, a government organization designed to promote trade and economic co-operation between South Korea and other countries, established its Beijing representative office last year.

Park said that China has now become the third hottest place for South Korean overseas investment after Thailand and Indonesia.

Park predicted that South Korean direct investment in China is likely to jump to a total of \$500-600 million by the end of this year, from last year's \$170 million, if the pact on protection of investment is officially signed by the two sides in the first half of this year according to scheduled timetable.

Park made those remarks at a press conference about the Korea Merchandise Exhibition '92 to be held at the China International Exhibition Centre in Beijing from May 12 to 16.

Earlier this month, Park continued, China and South Korea signed a draft pact in Seoul on protection of investment.

Currently, some South Korean investors are negotiating with their Chinese counterparts on launching some large projects in China with direct investment from South Korean firms in each of those projects to be between \$10 million and \$100 million, Park said.

By the end of last year, 185 South Korean investment projects had been approved by China.

Park said that South Korea and China are close neighbours who have shared good relations for several thousand years. However, they have also suffered a forty-year-long isolation.

A total of 37 South Korean firms, including the well-known Samsung, Hyundai, Daewoo and Lucky-Goldstar companies, will display their latest products at a 3,370-square-metre hall at the China International Exhibition Centre during the Korean exhibition. The majority of the exhibitors are small and medium-sized businesses.

Exhibits will range from electronics, automobiles, machinery, textiles, petrochemical products, daily-use goods, clothes, decoration materials, stationery and foodstuff, Park said.

At the same time about 200 South Korean businessmen and two South Korean delegations will investigate the Chinese market, Park said.

Also at the press conference, Park disclosed that China will hold a large merchandise exhibition in Seoul late next month.

### Southeast Asia & Pacific

#### Foreign Ministry Withholds Comment on Burma

HK2404095192 Hong Kong AFP in English  
0907 GMT 24 Apr 92

[Text] Beijing, April 24 (AFP)—China, the principal arms supplier to the military junta in Burma, reported the removal of its leader Saw Maung but made no comment Friday.

"General Saw Maung was advised by medical experts to have a rest because of health reasons," the official XINHUA News Agency reported in a two-paragraph dispatch from the Burmese capital Rangoon.

The foreign ministry did not respond Friday when asked to comment on the change. In line with China's foreign policy of noninterference, the answer was likely to be that Saw Maung's removal was Burma's internal affair.

Foreign Minister Qian Qichen, whose country has come under increasing pressure from the West to halt arms supplies to the Burmese junta, defended China's stance on Thursday.

"The outside world has adopted the approach of isolating and boycotting," Qian said. "As Burma is our neighbor, we have to keep in contact."

He was speaking before Rangoon's announcement.

China was "very concerned" by the exodus of 200,000 Moslems from Burma to Bangladesh, many of whom spoke of atrocities by Burmese troops. Some refugees have also fled to China, which has granted them temporary asylum.

China was the first country to recognize the Rangoon junta after it took power in a September 1988 coup.

#### Earthquakes Jolt Border Area With Burma

OW2404075892 Beijing XINHUA in English  
0742 GMT 24 Apr 92

[Text] Beijing, April 24 (XINHUA)—Two earthquakes registering 6.7 and 6.9 on the Richter scale struck at 22:18 and 23:32, Beijing time on April 23 in the areas near the Chinese-Burmese border, according to China's seismograph station network.

The nearest seismic area is about 20 km away from the Chinese border in southwestern China's Yunnan Province.

According to the Yunnan Provincial Bureau of Seismology, many areas along the border could feel strong shocks. However, no deaths or damage were reported.

The provincial bureau has sent its members to these areas.

#### New Zealand Official Arrives in Beijing

OW2404051992 Beijing XINHUA in English  
0504 GMT 24 Apr 92

[Text] Beijing, April 24 (XINHUA)—Don McKinnon, New Zealand deputy prime minister and minister of external relations and trade, arrived here by air at noon today for a six-day visit to China as guest of State Councillor and Foreign Minister Qian Qichen.

McKinnon is the highest-ranking New Zealand official to visit China since former Prime Minister David Lange visited China in 1987.

During his current visit, McKinnon is expected to exchange views with Chinese leaders on expanding bilateral relations and on international issues of common concern.

In addition, he will attend a New Zealand-China business and economic forum to be held in Beijing Saturday.

The deputy prime minister was greeted at the airport by Chinese Vice-Minister of Foreign Affairs Liu Huaiqiu and New Zealand Ambassador to China Michael John Powles.

#### UN Peacekeeping Forces Arriving in Cambodia

OW2204132592 Beijing XINHUA in English  
1240 GMT 22 Apr 92

[Text] Phnom Penh, April 22 (XINHUA)—The United Nations Peacekeeping Forces in Cambodia have reached 3,228, said an official from the headquarters of the U.N. Peacekeeping Forces in Cambodia here today.

The soldiers present in Cambodia were mainly from Australia, China, France, Indonesia, Malaysia and Thailand, the official said.

The total U.N. peacekeeping military personnel in the country will eventually number 16,000.

In early May, France will send a battalion of another 850 soldiers to Cambodia as well as a C-160 cargo plane and eight helicopters.

An engineering corp of 370 from China will arrive at Kompong Som Thursday, and peacekeeping troops from India, France, Bangladesh, Pakistan and other countries will be assigned early next month to checkposts on Cambodia's borders with Thailand, Laos and Vietnam.

However, Chief of the U.N. Transitional Authority in Cambodia (UNTAC), Yasushi Akashi, predicted Tuesday that the U.N. peacekeepers will be troubled by a lack of financial support.

He called on a quick resolution to the problem. Otherwise, the U.N. peacekeeping plan would be postponed, he said.

Akashi expressed his appreciation for the Democratic Kampuchea Faction's opening of areas under its control to the U.N. peacekeeping forces, clearing the way for the U.N. mission in those areas.

#### Lao Beam Confirms Kaysone Phomvihan Visit

BK2304050492 Beijing Radio Beijing  
in Lao 1230 GMT 22 Apr 92

[Text] The People's Republic of China [PRC] Foreign Ministry spokesman has announced in Beijing today that in response to the invitation of PRC President Yang Shangkun, Kaysone Phomvihan, chairman of the Lao People's Revolutionary Party Central Committee and president of the Lao People's Democratic Republic, will make an official visit to the PRC from 26 April to 3 May this year.

#### Wang Bingqian Meets Singapore Counterpart

OW2404115092 Beijing XINHUA in English  
1118 GMT 24 Apr 92

[Text] Beijing, April 24 (XINHUA)—Chinese State Councillor Wang Bingqian met here this afternoon with Singapore Minister for Finance Hu Tsu Tau, who is on an official goodwill visit to China.

In the meeting Wang, also minister of finance, and Hu exchanged views on ways to further Sino-Singapore cooperation in the financial field.

### Sub-Saharan Africa

#### Jiang Urges Cooperation for Developing Nations

OW2404095192 Beijing XINHUA in English  
0943 GMT 24 Apr 92

[Text] Beijing, April 24 (XINHUA)—Chinese Communist Party General Secretary Jiang Zemin today called on the developing countries to strengthen unity and cooperation and strive to develop their economies.

Jiang Zemin made the remark in a meeting with a delegation from the Ugandan National Resistance Movement, which is led by National Commissar Eriya Kategaya, who is also first deputy prime minister of the government.

The world is entering a transitional period towards multi-polarization and people all over the world hope to see the establishment of a new international political and economic order, which will be conducive to peace and development, Jiang said.

He noted that people of a country have the right to choose their own path of development in the light of the historical and realistic conditions of that particular country. No country should be allowed to interfere in the internal affairs of other nations under any pretext, he added.

In an account of China's achievements in the modernization drive, Jiang said China will make full use of the present various favorable conditions and bring into full play all the "positive factors" in speeding up reform and opening-up, so as to seek rapid economic development.

Kategaya said the delegation had in-depth discussions with Chinese officials during this trip, which also took them to Yunnan, Hunan and Shanghai.

Members of the delegation have been "deeply impressed" with China's achievements, a Chinese official quoted Kategaya as saying. Uganda is following, with immense interest, the further development of China's reform, Kategaya said.

#### Madagascan Delegation Arrives in Beijing

##### Invited by Beijing for Talks

OW2304132292 Beijing XINHUA in English  
1259 GMT 23 Apr 92

[Text] Beijing, April 23 (XINHUA)—First Deputy Prime Minister of the Democratic Republic of Madagascar Francisque Ravony arrived here this afternoon at the head of a government delegation, to begin an official visit to China.

The Madagascan guests came at the invitation of the Chinese Government.

Li Zhaoxing, assistant foreign minister, was among those greeting them at the airport.

#### Qian Qichen Meets Senior Official

OW2404104592 Beijing XINHUA in English  
1032 GMT 24 Apr 92

[Text] Beijing, April 24 (XINHUA)—Qian Qichen, Chinese state councillor and foreign minister, held formal talks with first Deputy Prime Minister of the Democratic Republic of Madagascar, Francisque Ravony, at the Diaoyutai State Guesthouse here today.

According to an official from the Chinese Foreign Ministry, the talks were conducted in a cordial and friendly atmosphere.

Qian was quoted as saying that China has always attached importance to its friendly relations with Madagascar and is willing to maintain and strengthen such good relations of cooperation.

Ravony is the first leader of Madagascar to visit China since the establishment of the Madagascan Transition Government. He was quoted as saying that Madagascar reiterated that there is only one China in the world, that is, the People's Republic of China, and Taiwan is one province of China.

The Transition Government of Madagascar supports the Chinese people's cause for the peaceful reunification of China, he said.

Ravony said that one of the main tasks of the Transition Government is to strengthen Madagascar-China friendly relations of cooperation which benefit both countries.

Qian stressed that the Chinese Government has always pursued the policy of non-interference in the internal affairs of another country. He hoped that the Madagascan Transition Government will achieve great success in the midst of political and social stability, and the Madagascan economy will make constant progress.

Both sides also briefed each other on the domestic situation of the two countries during the talks.

#### Kenyan Parliamentary Speaker Meets Special Envoy

OW2304142692 Beijing XINHUA in English  
1358 GMT 23 Apr 92

[Text] Nairobi, April 23 (XINHUA)—Kenyan Speaker of Parliament Jonathan Ng'eno met here today with Chinese Special Envoy and Vice-Chairperson of the Standing Committee of the National People's Congress of China Chen Muhua.

The visiting special envoy first conveyed warm greetings from Wan Li, chairman of the Standing Committee of the National People's Congress of China, to the Kenyan speaker.

Ng'eno highly spoke of the existing good relations and cooperation between Kenya and China and hoped that they would be strengthened in the future.

"We have many things to borrow from each other particularly in the economic field," he added.

During the meeting, Chen Muhua said the relations between the two countries had been growing fruitfully

since the establishment of diplomatic ties in December 1963 and that the completion of the Moi International Sports Centre was a concrete result of the cooperation between the two countries in the economic field.

The Chinese special envoy arrived here early this morning for a four-day friendly visit to Kenya. She is expected to hand over a China-aided aquatic stadium to the Kenyan Government on Friday.

**Political & Social****Deng Aides Urge Early Central Committee Plenum**

HK240423992 Hong Kong **SOUTH CHINA MORNING POST** in English 24 Apr 92 p 13

[By Willy Wo-lap Lam]

[Text] Aides close to patriarch Mr Deng Xiaoping are pushing for an early convention of the Central Committee's ninth plenum to consolidate reform and to resolve the question of ousted party chief Mr Zhao Ziyang.

Mr Deng's faction is also scheming to include more reformist cadres in the short list of candidates for the new Central Committee, which will be compiled by late May.

And following the example of army leaders, the head of the secret police, Mr Qiao Shi, has vowed his personal support to Mr Deng.

Chinese sources in the capital said Mr Deng's advisers wanted the party Central Committee to hold its ninth plenum in the middle of the year.

The theme of the conclave will be to lay down concrete policies for materialising the Deng Xiaoping line of fast-paced reform.

"The plenum will offer an opportunity for Mr Deng's followers to overturn the largely cautious economic policies promoted by (premier) Li Peng at the National People's Congress," a source said.

The conclave will also likely publicise the results of investigations into the "crimes" of Mr Zhao.

The sources said while the investigation team had failed to unearth evidence that the former party chief had abetted the student demonstrators or split the party, the hard-liners had held up circulation of the investigators' report.

They said the plenum would likely announce that Mr Zhao was guilty of the much less serious offence of "making a wrong judgement of and mishandling the situation" of the 1989 protests.

The meeting will also put the finishing touches to the selection of candidates for the new Central Committee, who will be endorsed at the 14th party congress.

"The short list for candidates for the Central Committee will have been compiled by late May," a source said. "The final versions will probably be put together by July and August."

Analysts said Mr Deng was anxious to call the plenum soon because he saw the momentum was still going the way of the reformists.

Yesterday, Mr Qiao, who is also a member of the politburo Standing Committee, gave his unequivocal support for fighting "leftism" or Maoist and conservative tendencies.

While touring Shanxi province, Mr Qiao told local cadres they must observe Mr Deng's instruction that "while we must be on guard against rightism, our priority is countering leftism".

Mr Qiao indicated major aberrations of the Communist Party in the recent past had come about because of "leftist errors".

Referring to Mr Deng's recent instructions, the police chief said: "He has uttered what has always been in our hearts."

Analysts said with the Army and the secret police behind it, the Deng faction might be in a strong position to sideline leftist ideologues and central planners.

So far, Maoists including elder Mr Deng Liqun are resisting the reform blitz by organising articles and speeches critical of the Deng Xiaoping line.

**Article Views Deng's Thesis on Productive Forces**

OW2304140592 Beijing **BAN YUE TAN** in Chinese No. 3, 10 Feb 92 pp 26-29

[Article by XINHUA chief reporter Yang Jisheng (2799 4949 4939): "Our Fundamental Task Is To Develop the Productive Forces"; from "Lectures on Education in Socialist Ideology" column—**BAN YUE TAN** headline]

[Text] Comrade Deng Xiaoping's thesis that "the fundamental task in the socialist stage is to develop the productive forces" has profoundly demonstrated the fundamental law of socialist development. It is also a basic Marxist viewpoint.

**Developing the Productive Forces Is a Prerequisite for Consolidating and Developing the Socialist System**

Historical materialism tells us: A certain social formation must correspondingly adapt to a certain material and technological foundation. In the history of mankind's social progress, after its creation, a new social formation will always use its economic and political powers to expeditiously improve the material and technological foundation. It will be very difficult for the new social formation to consolidate its structure without an appropriate material and technological foundation.

For historical reasons, the current socialist countries in the world began their revolutions and established socialist systems in areas where underdeveloped capitalism was characterized by many small-scale production methods. Therefore, backward productive forces are a common, acute problem encountered by socialist countries. Developing their productive forces and constructing their own material and technological foundation is an urgent task before consolidation of the socialist system can be achieved.

China's material and technological foundation was much poorer than those of many other countries. Before the socialist system was established, Old China's productive forces were extremely backward due to the protracted

feudalistic rule and the imperialist invasion and plunder. In 1949, China's steel output was merely 158,000 tonnes; electric power generated, 4.3 billion kilowatt-hours; raw coal output, 32 million tonnes; crude oil, 120,000 tonnes; cotton, 1.89 billion meters; and grain, 226.4 billion jin. With a total population of 549.066 million people, their respective per capita share was very low.

Soon after New China was established, the people felt an urgent need to quickly develop the productive forces. Especially after socialist transformation of the means of production had been basically completed, and the contradictions between the proletarian and the bourgeois classes were no longer the major contradictions, the issues of developing the productive forces with concerted efforts became an important goal. In 1956, the "Eighth CPC National Congress" proposed that "China's major domestic contradictions...were the contradictions between an advanced socialist system and backward productive forces." Even though this summary was inaccurate and imperfect, it revealed the essence of the issues.

We have not practiced this understanding in the past years, however, and this has been an important lesson. As Comrade Deng Xiaoping has said: "We suffered considerably over the past years: We had basically completed socialist transformation; yet, we still regarded class struggle as the key link and ignored the development of the productive forces." "If we were looking for shortcomings since the establishment of New China, our omission of developing the productive forces should be included."

Eventually, the Third Plenary Session of the 11th CPC Central Committee accurately summarized the lessons of the past decades, shifted the central task to economic construction, and concentrated efforts on developing the social productive forces.

#### **Development of the Productive Forces was China's Central Task During the Initial Stage of Socialism**

In 1987, the 13th CPC National Congress comprehensively and systematically proposed a scientific theory that China was in the initial stage of socialism. This was mainly because of its relatively low productivity.

What were the main contradictions in the initial socialist stage? The 13th CPC National Congress Report specified: "The main contradictions were the contradictions between the people's gradually increasing material and cultural needs, and backward social productive forces." Earlier, the Sixth Plenary Session of the 11th CPC Central Committee made a similar summarized conclusion. Recently, the party Central Committee reiterated the correctness of this conclusion.

Meeting the people's increasing material and cultural demands is a formidable task in China. This is decided by the special conditions in China. Ours is a big, populous nation that does not have adequate natural resources. The per capita cultivated land is a paltry 0.09 hectare as compared with the world average of 0.28 hectare. China's ore deposits ranks the third in the world

after the Soviet Union and Brazil; in per capita terms, however, it is only 41.85 metric tons, far below the world per capita figure of 70.39 metric tons. These hard facts require a higher level of productive forces to raise the utilization rate of resources. Due to the huge base figure of the population, economic growth is hardly able to catch up with the rising demands of the people. China's national income grows by about 100 billion yuan annually while the population grows by 15 million a year; the nation also has to create 4 million jobs every year. Not much of the annual additions of national income can be used for construction investment. Therefore, there is a sharp contradiction between the daily increasing material and cultural demands of the people, and the backward social production. The only way to solve this contradiction is to make economic construction our central task and focus all our energies on developing the productive forces.

It is not easy, however, to reach such a consensus; to implement it in our work is even more difficult. As everybody knows, we have endured numerous interference and battering in the course of implementing this consensus; we have learned our lesson from decades of bitter experience.

In light of past lessons, Comrade Deng Xiaoping repeatedly emphasized that we must "devote our full attention" to economic construction, that we must "never divert our energies" and "except in the event of a massive war, we must steel ourselves to carry out this task with constancy and devotion. We must make it our central task and allow nothing to interfere with its fulfillment."

Over the past few years, we have witnessed some disturbances at home and drastic changes in East Europe and the Soviet Union. It is only natural that the question of preventing "peaceful evolution" has attracted great attention. Preventing "peaceful evolution" requires us not to loosen up ideological work. The fundamental way to prevent "peaceful evolution" lies in developing the productive forces, however. We must draw lessons from our past experience, persistently implement the correct line pursued since the Third Plenary Session of the 11th CPC Central Committee no matter what happens at home or abroad, and allow nothing to interfere with our unwavering adherence to central task of economic construction and the development of productive forces.

#### **Maintain a Firm Grasp of The Two Basic Points: Adherence to the Four Cardinal Principles and Implementation of Reform and the Open Policy**

Social stability is the precondition for economic development. It is hard to imagine how economic construction can be carried out amid social disturbances.

Under today's historical conditions, the most important requirement for ensuring social stability is adherence to the four cardinal principles. The four cardinal principles are the foundation of our state. From the perspective of developing the productive forces, it is a "magic weapon" for ensuring social stability. The reason is clear. The core

of the four cardinal principles is upholding the CPC leadership. Just think, without the leadership of the CPC, what political force would be able to unite the whole nation? It would be strange if the nation did not fall into chaos!

Reform represents a strong driving force for the development of productive forces. China's erstwhile rigid structure—which failed to generate an internal driving force pushing economic development forward, to make rational allocation of resources or bring about optimal distribution of productive factors—severely shackled the development of the productive forces and sapped the vitality of China's socialist economy. Reform means changing the production relations that are not suited to the development of productive forces; reform means liberating productive forces. Opening up to the outside world is an important aspect of reform. Absorbing funds, technology, and management know-how, and other excellent cultural achievements from abroad will strengthen us and will accelerate the development of productive forces.

Reform and opening to the outside world in the past decade or more have yielded rich results in terms of the development of productive forces. In the 10 years from 1979 to 1989, China's national income grew from 335 billion yuan to 1.3 trillion yuan. The volume of increase during the decade—965 billion yuan—was four times that in the 26 years between 1952 and 1978.

Reform needs to be deepened further. Many new problems will arise in the course of reform. How can we judge whether our reform policy is correct or not? Which one, the political or economic, should be used a criterion? Should production relations or productive forces be used as a criterion? In 1958, ownership was used as the criterion—the larger in size and the higher the degree of public ownership, the more advanced a unit was considered. We suffered a great deal from this criterion. The historical materialist answer to the question is that the productive forces should be used as the criterion. Comrade Mao Zedong said: "In the final analysis, the impact, good or bad, great or small, of the policy and the practice of any Chinese political party upon the people depends on whether and how much it helps to develop their productive forces; and on whether it fetters or liberates these forces." The 13th CPC Congress particularly emphasized the need to uphold productive forces as the criterion by pointing out: "Whether or not there is a beneficial effect on the development of productive forces should be our starting point in considering all problems and the fundamental criterion for testing all work."

#### Place the Development and Application of Science and Technology High on the Agenda

Productive forces consist of the laborer, means of labor, and subjects of labor. Division of work, cooperation, and management can create a new productive force, and

therefore should be considered a factor of the productive forces. Some scholars call the former "hard factors" and latter "soft factors."

Science and technology serve as a multiplying agent when mixed up with the two types of above-mentioned factors, doubling and redoubling the efficiency of each factor. It is true with the laborer, means of labor, and subjects of labor; application of science and technology (system science, for example) in organization and management can also dramatically increase efficiency. Therefore, we can write a formula as follows:

Productive force = science and technology x (hard factors + soft factors)

Comrade Deng Xiaoping fully affirmed the importance of science and technology by saying: "Science and technology constitute a productive force, a primary productive force at that." In the present-day world, science and technology has become a decisive force of economic development.

China's gaps in science and technology make it more urgent to raise the scientific and technological level. Statistics indicate that only one-third of China's industrial equipment is relatively advanced in terms of technical and economic performance, while the remaining two-thirds is backward. Among the 50,000 machinery products China produces, 16 percent are equivalent to the level in the 1950s, 62 percent are equivalent to the level in the 1960s, and 22 percent are equivalent to the level in the 1970s and 1980s. Technical backwardness leads to poor economic efficiency. Every one dollar of investment in fixed assets in the developed nations produces goods worth 3 to 5 dollars; in China the figure is only 1.2 dollars (1988 figure), a mere 20 to 40 percent of that of the developed nations.

Dissemination and application of new technology are the most urgent tasks facing China today. Science and technology constitute a productive force, but they are not an immediate productive force. Only when applied in production can they become real, productive forces. China is still quite weak in this area. The utilization rate of patent technologies is only 30 percent in China; 70 percent of the advances in science and technology are left unused. The outcome of insufficient demands for scientific and technological advances is that many scientific and technological personnel are left unutilized. One-third of the personnel in some scientific and technological research units do not have any research work to do. Enterprises are not eager for technical advances, and this has resulted in a massive outflow of scientific and technological personnel. Neither are those who stay in enterprises engaged in development work.

Engels said: "Once there are demands in society for technology, such demands can do more than 10 universities in pushing scientific progress forward." Therefore, to raise China's scientific and technological level, a top priority is to encourage enterprises to adopt new technology and stimulate the demands of all trades for the

latest scientific and technological advances. In addition to policies that encourage technical progress (for example, speeding up the depreciation of fixed assets, making more funds and loans available for technical innovations, and reducing the enterprise's burden), the most fundamental way to achieve this is to deepen reform, push enterprises into market competition, and let the merciless market competition force enterprises to seek technical progress.

#### 'Special Article' on Intellectual Property Rights

OW2304134292 Beijing Central People's Radio Network in Mandarin 0500 GMT 21 April 92

[“Special Article” by station reporter Jin Lei: “Strengthen International Cooperation in Protecting Intellectual Property Rights”; from the “international news and current events” program]

[Text] Dear listeners, intellectual property rights includes two major categories: copyrights and industrial property rights. The industrial property rights include patent rights, trademark rights, and others.

In recent years, many countries have made rapid progress in economic, cultural, scientific, and technological fields. They have attached great importance to intellectual property rights. The protection of intellectual property rights has also increasingly become an international issue.

At a seminar on the Chinese legal system for the protection of intellectual property rights held on 13 April, Ren Jianxin, chairman of the China Chapter of the International Association for the Protection of Industrial Property Rights and president of the Supreme People's Court, said: In recent years, a new international tendency toward protecting intellectual property rights has appeared. He said: The World Intellectual Property Rights Organization is now holding a meeting, negotiating the draft of a new treaty on the protection of patent rights and trademark rights. The Uruguay Round of the General Agreement on Tariffs and Trade (GATT) also must tackle the problems of intellectual property rights.

This new tendency, as referred to by Ren Jianxin, and particularly the involvement of the Uruguay Round of the GATT in the problems of intellectual property rights explains why the issue has caused such concern in the international community. Under such circumstances, the contradictions between developed countries and developing ones appears to be even sharper. Take one of the developed countries, the United States, as an example. One fourth of its foreign income comes from intellectual property rights, and therefore it wants to protect intellectual property rights in a strict and effective manner. But, if we see things from the viewpoint of developing countries which have low social conditions and poor economic strength, we will find that it is impossible for them to upgrade their standards for intellectual property rights protection to meet the expectations of developed countries overnight. In terms of

intellectual property rights protection, international negotiations mainly focus on this contradiction.

The International Association for the Protection of Industrial Property Rights has also noted this problem. In addition to providing some technical advice to the developing countries, this organization's General Secretary, Martin Lutz, expressed his hope that the governments of developed countries will shoulder more responsibility for protecting intellectual property rights. He said: Industrialized countries such as West Europe and Japan can provide subsidies for patent rights. Concerning this problem, what should be emphasized is that, owing to historical and social and economic reasons, there is a discrepancy between developing countries and developed countries in terms of the protection of intellectual property rights. It takes some time for the international community to solve this problem jointly.

Chairman Franklin Hoet-Linares of the World Jurist Association pointed out: The developing countries' practice of protecting intellectual property rights in accordance with their own conditions and in ways suited to their countries should be respected by the international community. Threats of trade retaliation can only deteriorate relations between countries. He said: To become a party to the international intellectual property rights protection system, and to establish and perfect their own intellectual property rights protection system, developing countries should have their own ways and proceed at their own pace. Their standards cannot be expected to be as high as those of developing countries; intellectual property rights are part of each country's sovereignty. Therefore, each country has a right to determine when and how to protect its own intellectual property rights. We believe that it is unfair to threaten other countries with retaliation. At present, an overwhelming majority of developing countries have come to realize that efforts to promote intellectual property rights protection can not only draw foreign investors but also play a fine role in developing their own national economies. Therefore, most developing countries are now taking gradual steps to perfect their intellectual property rights protection system to better adjust themselves to international competition.

Take China as an example. In March 1983, China promulgated its first Trademark Law. In April 1985, it promulgated its first Patent Law. In 1991, China successively promulgated the Copyright Law and Regulations on the Protection of Computer Software. Meanwhile, China participated in the World Intellectual Property Rights Organization, the Paris Convention for the Protection of Industrial Property Rights, and the Madrid Agreement on International Registration of Trade Marks. It will participate in the Berne Convention for the Protection of Literary and Art Works and the World Copyright Convention. It is fair to say that China has become an important member of the international community through its efforts to protect intellectual property rights.

Concerning China's efforts to protect intellectual property rights, General Secretary Wang Zhengfa of the China Chapter of the International Association for

Industrial Property Rights had this to say: [begin Wang recording] Our country is now promoting foreign trade, and it spares no effort in improving the legal system. Under such circumstances, I believe that industrial property rights protection not only helps improve economic relations with other countries, but is also beneficial to the development of our own industry and commerce.

China is a large country, and its people have many creations and inventions. If we can effectively protect intellectual property rights, we can encourage our people to invent more new things; promote proper commercial activities; and stimulate the development of our science, technology, and culture.

The protection of intellectual property rights is not a one-way track. Many countries adopt reciprocal measures in terms of intellectual property rights protection. If we protect other countries' intellectual property rights, they will protect ours. Our country has made rapid progress in the fields of science, technology, culture, and commerce, and, therefore, mutual protection of intellectual property rights will benefit us all. Of course, some developing countries which have been restricted by their economic conditions will take time to meet the challenges.

Generally speaking, however, I believe that the developing countries' intellectual property rights protection system will do them good in inviting more foreign investment, developing trade with other countries, and promoting their own industries. [end recording]

#### Vice Premier Zhu Rongji Visits Hainan 15-22 Apr

HK2404114992 Haikou Hainan People's Radio Network in Mandarin 2300 GMT 22 Apr 92

[Text] While inspecting work in our province, Zhu Rongji, vice premier of the State Council, stressed that, as we are close to the center of developing productive forces, we must seize this favorable opportunity, fully exploit Hainan's strong points, and truly establish a special economic zone [SEZ] with Hainan's characteristics.

On 15-22 April, accompanied respectively by provincial Governor Liu Jianfeng, and Vice Provincial Governors Meng Qingping and Mao Zhijun, Vice Premier Zhu Rongji successively inspected Yangpu Economic Development Zone, Danxian, Changjiang, Dongfang, Sanya, Tongshi, Linghui, Qionghai, Wenchang, Haikou and others. He listened to reports presented by provincial, city and county leaders. He also went right to South China Tropical Crops Institute, South China Tropical Research Center, (Shili) Iron Mine, a flower and fruit farm, Yinggehai Saltern, (Nanwan) Aquatic Products Breeding Farm, (Mading) Power Plant, and [words indistinct] in Haikou. He had a cordial conversation with cadres, staffs and workers to acquaint himself with the situation of development and construction.

On the morning of 22 April, provincial leaders Deng Hongxun, Liu Jianfeng, Yao Wenzu, (Zu Qinmin), Miao Enlu, Meng Qingping, Xin Yejiang, Mao Zhijun, and

others presented a work report to Vice Premier Zhu Rongji. He highly praised the achievements in development and construction scored since the establishment of Hainan province. He said: Great changes have taken place in Hainan in recent years. This shows that the strategic decision of the CPC Central Committee and the State Council on the establishment of Hainan SEZ is correct. This must be fully affirmed. Leaders, cadres and masses in the Hainan SEZ work conscientiously, struggle hard, inspire their enthusiasm, and firmly grasp their work in a down-to-earth manner to truly promote their work. This must also be fully affirmed.

Vice Premier Zhu continued: Comrade Deng Xiaoping recently made important speeches, calling on us to uphold the party basic line, and firmly seize on the center of developing productive forces. In accordance with the gist of Comrade Deng Xiaoping's speeches, Hainan must fully exploit its own strong points, and, in light of local conditions, truly build a special economic zone with Hainan characteristics. He stressed: Under the new situation, cadres at all levels must be clear about all their present work. They must work around the center of developing productive forces. They must never lose this favorable opportunity. They must seize on it to boost their economic construction. How to boost Hainan's economic construction as early as possible? Zhu Rongji pointed out: It is now necessary for us to specify our strategy for development. We must not indiscriminately copy the methods of other special economic zones and development zones. The Hainan SEZ must have its own features. Hainan's natural resources are a very big treasure-house, and they have great potential which can be tapped. It is rich in tropical plant resources, tourism resources, maritime resources, mining resources, among others. They must be fully exploited and utilized to achieve economic development of the whole province. We must enrich the masses as early as possible. In a word, we must, first of all, further grasp infrastructure construction solidly, and, second, we must fully exploit our advantage in natural resources.

Vice Premier Zhu pointed out: After the formulation of the development strategy and guiding principle of the SEZ, the quality of cadres, and leading cadres in particular, is a decisive factor. Currently, the quality of some cadres does not conform with the construction in the SEZ. We must pay attention to improving the quality of our existing cadres as well as importing talented personnel. To import cadres from other parts of the country, we must go through a process of selection. We must select those younger comrades who have a good work style, are full of drive and capability, and seek professional knowledge. We must pay attention to promoting local cadres and providing them with more training to give full play to their role. Vice Premier Zhu also issued instructions on further implementing preferential policies of the CPC Central Committee and the State Council for Hainan.

Those who accompanied Vice Premier Zhu Rongji in the inspection tour in our province included responsible

comrades from the Production Office under the State Council, the State Planning Commission, State Commission for Restructuring Economy, Office of Special Economic Zones under the State Council, Financial Ministry, The Chinese People's Bank, China International Engineering Consulting Corporation, and others.

**Li Peng Calls Hunan Governor on Natural Disaster**  
*OW2404083592 Beijing Central People's Radio Network in Mandarin 1030 GMT 23 Apr 92*

[From the "National Hookup" program]

[Text] According to a news dispatch by the XINHUA News Agency, thunder showers, gale, hail, and torrential rains swept over most parts of Hunan Province from the evening of 20 April to 1800 [1000 GMT] on 21 April. According to incomplete statistics by the Civil Affairs Department, the natural disaster affected a total of 4.44 million people in 26 counties and cities in Hunan, caused the collapse of over 25,000 houses, caused 94 deaths and 3,394 injuries, and damaged crops over an area of more than 3.3 million mu.

Immediately after its occurrence, Hunan Governor Chen Bangzhu drew up a plan to fight the natural disaster and provide relief for the victims. Taking along with him the leading cadres of the relevant departments directly under the Provincial Government, Vice Governor Wang Keying rushed that very night to those areas suffering most from the disaster to inspect the damage done and express sympathy and solicitude for the people living in the disaster areas. The principal leading cadres of the prefectures and cities most afflicted by the disaster rushed to the forefront of the disaster areas to take command of efforts to provide disaster relief.

In the evening of 21 April, Premier Li Peng asked his secretary to phone Hunan Governor Chen Bangzhu on his behalf and make detailed inquiries about the situation in Hunan. Meanwhile, his secretary also conveyed the State Council's kind concern for the people living in the disaster areas in Hunan, as well as sincere sympathy for the bereaved and those who were injured. His secretary expressed hope on behalf of Premier Li Peng that the vast numbers of cadres and masses living in the disaster areas will make vigorous efforts to provide for and help themselves by engaging in production and rebuild their hometown once the disaster is over.

According to the reporter's understanding, goods and materials, plus funds to be provided as disaster relief to the victims, are currently being allocated to each disaster area throughout Hunan; the injured and the sick are receiving prompt medical care; and preliminary arrangements are being made for the shelter of those who have been rendered homeless by the disaster.

**Chen Yun Congratulates Bookstore on Anniversary**

*HK2404093692 Beijing RENMIN RIBAO in Chinese 20 Apr 92 p 4*

[By correspondent He Hai (6320 3189); "Comrade Chen Yun Writes Inscription To Congratulate 80th Founding Anniversary of Zhonghua Bookstore"]

[Text] On the happy occasion of the 80th founding anniversary of the Zhonghua Bookstore, Comrade Chen Yun, who is now at the advanced age of 80, sent a special message of congratulations: "Sort out ancient books and serve the socialist construction."

Founded in 1912, the Zhonghua Bookstore is renowned both at home and abroad for its publication of Chinese ancient books. Over the 42 years since liberation, this specialized publishing house has distributed over 5,000 varieties of books, including many important ancient books such as "Mirror of History" [a 294-volume chronicle by Sima Guang, covering a period of 1,362 years down to the Five Dynasties Period], "Tai Ping Reign-Period Imperial Encyclopedia," "Historical Collections," "History of Emperor Yong Le," "Statutes of the Qing Dynasty," and "Collection of Material on the Lives of Emperors and Ministers." The sorting out and publication of "The Twenty-Four Histories" [dynastic histories from remote antiquity till the Ming Dynasty] and "A Digest of Documents and Records of the Qing Dynasty," in particular, have won favorable comments from readers both at home and abroad. Since the beginning of reform and opening up, the Zhonghua Bookstore has gradually expanded its business scope. Nowadays, possessing a team of editors with fine quality and profound professional knowledge, the bookstore has strengthened its business ties with the publishing circles of a number of countries and regions including Hong Kong, Taiwan, Singapore, the United States, and Japan; and helped step up China's academic and cultural exchanges with foreign countries.

**Beijing TV Broadcasts 'Stories From Newsroom'**

**Danger of Office Gossip Stressed**

*OW2404035292*

[Editorial Report] Beijing Central Television Program Two Network in Mandarin at 1137 GMT on 23 April broadcasts a 42-minute installment in the series "Stories From a Newsroom," entitled "Much Ado About Nothing." The number of the installment is not given.

The first scene begins in the newsroom with editor Li's mentioning his seeing editor Ge the other day with a man at the Xidan market. Editor Ge denies the fact and says she was at home all day on that particular day.

The scene turns to the home of editor Yu. Editor Yu asks his parents if either one of them is having an extramarital affair because the old couple have decided not to share a bed. Editor Yu's mother vows that she has been faithful to her husband but says she is not sure about her husband's marital fidelity. The elder Yu denies he has had an affair with one of his female coworkers. Editor

Yu then begins moralizing, saying it is wrong for his father to daily with a woman at his age, but the elder Yu says his so-called old flame is long dead.

One day, a friend of editor Li called Poet Tian Qiao visits the editorial room to turn in his poems. He seems to have made a good impression on editor Ge. Rumors begin to fly in the editorial room about a romance between editor Ge and the poet.

In another scene at the home of editor Yu, Yu's wife suggests her mother-in-law seek a divorce. Flying into a rage, the old couple say they never intend to divorce. Editor Yu's mother says furiously: "You are too evil. You have already been named a successor. Why are you still so eager to lay your evil hands on us?"

Editor Li, being a bachelor and secretly in love with editor Ge, says that his friend Tian Qiao is a married man with children. Other editors joined in moralizing editor Ge about the immorality of getting involved with a married man. Editor Ge tells other editors that she is leaving the office. As a matter of fact, editor Ge is leaving on an assignment, but other editors suspect that her departure must have something to do with Tian Qiao.

In another scene, editor Niu rushes to the editorial room saying that Tian Qiao has attempted suicide with a woman. Hearing this news, editor Li falls from his seat. Editor Niu says that the dead woman is not editor Ge but a female college student.

In the final scene, editor Ge is back in the editorial room. Angry about her mistaken involvement in the matter of Tian Qiao's attempted suicide, she says she could file a libel suit against her co-workers. At this point, General Chen steps out of his room to intervene, admonishing the editors not to spread hearsay in the future.

### Episode Stresses Adherence to Law

OW2404055692

[Editorial Report] Beijing Central Television Program Two Network in Mandarin at 1237 GMT on 23 April broadcasts a 40-minute installment in the series "Stories From a Newsroom" entitled "Once in Power." The number of the installment is not given.

Editor Li is asked to help the traffic police maintain traffic safety at a major intersection. Once he gets hold of a police baton, editor Li gets serious about his new job. One day he and a policeman stop a man who is driving his car in the wrong direction on a one-way street. This man is a manager of a company and is driving without a license. He is also delivering a copy machine for the magazine. When the other editors learn of the incident and the fact that editor Li is the one who stopped the manager, they tell editor Li about the copy machine and ask him to invite the policeman to the magazine office for dinner with a view to persuading him to change his decision. At the dinner, all the editors try to convince the policeman to exonerate the manager because the latter promises to give them a free copy machine if he is

exonerated. Instead, the policeman gives them a lesson on the dangers of driving without a license and the sanctity of the law. Turning to editor Li, the temporary traffic safety assistant, the policeman says: "I will give you the power of handling this traffic violation case. Once you are in power, I would like to see how you exercise this power." Editor Li thinks for a moment and decides that the manager deserves punishment.

### Guangzhou Paper Comments on Party's Basic Line

#### Part One

HK2304131692 *Guangzhou NANFANG RIBAO*  
in Chinese 15 Apr 92 p 1

[First of unidentified number of installments of commentator's article: "To Be Implemented for 100 Years—First Comment on Comprehensive Implementation of Party's Basic Line"]

[Text] During an inspection of south China in early spring this year Comrade Deng Xiaoping made important remarks to local comrades in charge and provided brilliant explanations of the overall implementation of the party's basic line. He explicitly pointed out: "The line, principles, and policies since the Third Plenary Session of the 11th CPC Central Committee have been correct." "The basic line must remain unshakable for 100 years." "With this, China is full of prospects."

These explanations by Comrade Xiaoping have far-reaching and practical significance in guiding China's reform and development. Holding firm to the important principle of building socialism with Chinese characteristics, these remarks point out the only way to modernization in China. We are required to study these remarks repeatedly, to profoundly understand them, to consciously follow them, and to strive to implement them in practice.

Prolonged adherence to the party's basic line is an objective requirement for China's economic construction and social development. In the course of studying Comrade Deng Xiaoping's remarks, some people may ask: Why should the basic line remain implemented for 100 years? What is its basis? In our opinion, this is determined by China's basic national conditions. Currently, we are still in the initial stage of socialism. During this historical stage, our main task is to solve the contradiction between quite backward social production and the people's increasing material and cultural needs. This is the basis for the party formulating the basic line of "one central task, two basic points." But, to free ourselves from this backward social production, we cannot adopt the Western capitalist method of exploitation and plunder; we can only focus on economic construction, rely on the people's efforts, carry out reform and opening up, work hard, and energetically develop the productive forces. This determines that we must undergo a comparatively long development process before we can achieve our goal. It will require at least 100

years of hard work and pioneering. After going through setbacks, summing up experience, and becoming sober-minded in the early 1960's, Comrade Mao Zedong made the following estimate: "It will take 100 years or more to build a powerful socialist economy in China; 50 years will not be adequate." Therefore, as long as the main contradiction during the initial stage of socialism exists, the party's basic line, which guides us in solving this main contradiction, must remain implemented and unshakable.

Only when the party's basic line is unshakably implemented, can we emancipate and develop the social productive forces, improve our comprehensive national strength, constantly enhance the people's living standards, and make the country tranquil and prosperous. The Third Plenary Session of the 11th CPC Central Committee used focusing on economic construction to replace "taking class struggle as the key link" and began introducing the policy of invigorating the domestic economy and opening up to the world. Over the last 10 years or so, under the guidance of this policy and moving along the road of building socialism with Chinese characteristics, our province has made bold efforts and experiments, built special economic zones, and opened its coastal cities. In the course of deepening reform, it has displayed its geographical strong points, expanded the scope of opening up, and actively introduced foreign capital, technology, equipment, and talented people, injecting new vitality into our province's economic construction, bringing about unprecedented high growth in economic development, and hugely benefiting the people. The people throughout the province have deep feelings toward this and will never forget it. This is the situation in Guangdong but it can also be seen throughout the country. The deepening of reform has emancipated the socialist productive forces enormously, caused unprecedented improvement in our comprehensive national strength, improved and enhanced the people's lives, and brought about a fine situation of economic, political, mental, and social stability.

Practice has shown that the party's basic line of "one central task, two basic points" is full of limitless vitality and is a way to strongly build the country and make the people better off. It conforms with popular feelings, enjoys popular support, is completely correct, and must remain implemented for a long time.

Only by unswervingly upholding the party's basic line can we get rid of rightist and "leftist" interference and concentrate on modernization. We should be aware that our modernization is proceeding at a time when the two systems still exist in the world and that our reform and opening up started under a historical condition when "leftist" influence was deep rooted. Therefore, our modernization, reform, and opening up will inevitably encounter rightist and "leftist" interference. In the past, at the mention of modernization, some people always thought of introducing overall Westernization; at the mention of developing the commodity economy, opening up to the world, and introducing foreign capital,

some people always linked this to capitalism, fearing that the country might take the capitalist road as a result of too much capitalism. This was rightist influence. The main problem now is "leftist" interference, which will exist for a long time and obstruct our historical process. In addition, because reform involves the adjustment of interests in various fields, it is inevitable that some people will not understand the party's policies or principles and will even resist them. This is also an obstacle to our reform. Therefore, we must firmly take economic construction as the central task, adhere to the four cardinal principles, and uphold reform and opening up. Only in this way can we smoothly and properly solve these problems and contradictions, justifiably eradicate "leftist" and rightist interference, give prominence to the central task of economic construction, seize all opportunities, mobilize all kinds of initiative, and concentrate our efforts on improving the national economy.

Upholding the party's basic line also means ensuring the smooth replacement of the old structure by a new one and allowing the new structure to gradually mature. Taking economic construction as the central task and persisting in reform and opening up involves the fundamental problem of reforming the old economic and political structures so that they will transform into new ones. After the establishment of the new structures, they will be enriched and improved as practice develops. It will take us about 20 to 30 years or more to form more mature and more fixed systems in different fields. Policies and principles under these systems will also become fixed. The fulfillment of this task requires not only time but also adherence to the basic line. Therefore, only when the basic line has remained stable for a long time will our detailed socialist principles become better.

In conclusion, as long as we adhere to the party's basic line and remain unshakable for 100 years, we will be able to surmount rapids and difficulties in our advance and carry forward socialist modernization in our practice.

## Part Two

HK2304131892 Guangzhou NANFANG RIBAO  
in Chinese 19 Apr 92 p 1

[Second of unidentified number of installments of commentator's article: "Never Deviate From Center—Second Comment on Comprehensively Implementing Party's Basic Line"]

[Text] China's society is still at the initial stage of socialism. The major problem to be resolved in this historical stage is to fulfill the central task. What, then, is the central task? The report to the 13th CPC National Congress clearly points out: "The principal contradiction we are facing at the present stage is one between the people's increasing material and cultural needs and backward social production." Our central task is to find a solution to this principal contradiction.

The essence of this central task is to concentrate forces, develop productive forces, and carry out the socialist modernization program with one heart and one mind. This is the meaning of "one center," namely, the "center of economic construction" in the party's basic line during the initial stage of socialism. A solid grip on this center is tantamount to grasping the key to all problems and to gaining the initiative in all fields. True, there were many factors which enabled us to check the turmoil which took place between the spring and summer of 1989, and the counterrevolutionary rebellion in Beijing, and to withstand the grim test of the volatile and changing international situation. In the final analysis, however, it is due to efforts made over the past decade or so to adhere to the center of economic construction, which enormously raised our social productive forces, tremendously increased social wealth, enhanced our overall national strength, brought unprecedented practical benefits to the people, and resulted in popular and social stability. Hence, to enable our socialism to have a firm foothold and give full play to its latent superiority, it is necessary to comprehensively implement the party's basic line and have a firm grip of the center of economic construction.

To have a firm grip of the center and never vacillate in this regard, we should handle the problems and contradictions related to this center correctly so that all our work will focus on, be subordinate to, and serve the center of economic construction. As regards the current situation, it will be of direct and positive significance to gripping this center to further eliminate the "leftist" influence and interference, clear up the perplexity caused by changes in the situation, and earnestly overcome the formalist work style.

Above all, we should thoroughly erase the fetter of "taking class struggle as the key link" from our train of thought and firmly foster the ideological concept which takes productive forces as the criterion for judging all work. It should be noted that the achievements attained in all fields in Guangdong since reform and opening up was introduced over a decade ago are closely linked to the efforts made by the broad ranks of cadres and the masses in courageously emancipating their minds, seeking truth from facts, and daring to blaze new trails. We cannot say, however, that all the ideological obstacles hindering the development of productive forces have been removed. In the course of reform and opening up, the following practices still prevail to varying degrees in some localities and on some issues: People tend to talk about taking big steps in reform and opening up, but they hesitate in practice. The root cause of this mentality is: They are afraid that doing a large number of capitalist things would be tantamount to taking the capitalist road. For this reason, only by firmly fostering the ideological concept of developing productive forces can we formulate and implement the reform schemes, measures, and methods focused on the center of developing productive forces and can we take bigger, quicker, and more solid steps in reform and opening up.

To have a firm grip of the center, we should also depend on a correct analysis and sober estimate of the situation. Viewed

from history and reality, the new changes in the domestic and international situation can easily divert our attention. To this end, we must firmly bear in mind this lesson and avoid repeating this mistake. Because bourgeois liberalization cropped up and ran wild a few years ago, and because of the drastic changes in the Soviet Union and Eastern Europe and of the peaceful evolution strategy applied by the Western hostile forces against China, some people wavered in the central task of developing the productive forces and even proposed replacing the central task of economic construction with other tasks. This is patently wrong. It should be noted that peace and development are still the two major topics in the world today. The old world structure has been smashed and a new one has yet to take shape. This is a good opportunity for us to concentrate forces to carry out economic construction. It is true that the influence of the current international situation is harsh to us in a certain aspect and we should be sober-minded for this reason. On the whole, the situation is to our advantage. Hence, we should realistically make judgments and use them to guide our practice. Otherwise, we will deviate from the center and lose the golden opportunity for our development.

To have a firm grip of the center, our leading organs and cadres should free themselves from routine affairs and formalism. It is noteworthy that the majority of our leading organs and cadres have subjectively wished to boost the economy in their localities as quickly as possible and seek an enormous development. They usually get bogged down, consciously or unconsciously, in daily social activities, receptions, and other routine affairs, however, and are usually bound by many unnecessary meetings, documents, speeches, and ceremonies. Thus, they have failed to focus their energy and time on carrying out the central work. Although they are talk volubly about the center they have actually deviated from it. As a result, the situation there remains the same, month after month, and year after year. To seize the current opportunity and carry out economic construction we should free ourselves from routine affairs, be determined to eradicate formalism, and focus our time and energy on doing practical things and conducting investigation and studies. Only in this way can we get first hand information; offer the best options for resolving the difficult problems in deepening reform, opening up wider to the outside world, and developing the economy; and let each locality give full play to its strong points in line with local conditions. We should always think of this center, work along the center, and gradually push the center of economic construction to a new stage.

### Part Three

HK2404053092 Guangzhou NANFANG RIBAO  
in Chinese 21 Apr 92 p 1

[Third of unidentified number of installments of commentator's article: "Development Is Convincing Argument—Third Comment on Comprehensively Implementing Party's Basic Line"]

[Text] To comprehensively complement the party's basic line, we need to firmly grasp the key issue of promoting the economy.

Only development alone is a convincing argument. Both history and reality have made clear to us: In essence, the development issue is an issue of existence. No matter how good we feel about ourselves, an undeveloped economy or an economy which grows at an unduly slow pace will eventually and unavoidably put us in a passive position of being bullied by others. We still vividly remember the smoke of gunpowder during the Opium War over a century ago. Today's harsh reality of the disintegration of a "superpower" has exerted a greater awakening effect on us: Failure to attain development virtually means the road to ruin. This is a truth which remains eternally unchanged.

At present, the development issue is still the most significant subject we are faced with. It is true that the socialist system's establishment has liberated the productive forces and brought about development to China's economy. It is also true that reform and opening up have, once again, liberated the productive forces and expedited China's economic growth. However, since China's economic development is plagued by a low starting point and a poor foundation, we have only solved, to this day, the problem of providing enough food and clothing to our 1 billion people. We still have a long way to go if we aim to bring about common prosperity to our people. Take Guangdong for example. Over the past decade and more, in line with the central authorities' arrangements, Guangdong has taken the lead in carrying out reform and opening up, attained a higher economic growth rate than the average national rate, and pushed its national economy onto a new stage. All we have done has attracted world attention. However, we should notice that our comprehensive economic level still lags far behind that of Western advanced industrial countries; and even if we compare ourselves with moderately developed countries in Asia, we can also find a fairly wide gap between us. In today's world, where international competitions are becoming increasingly acute, low growth rate virtually means stagnation, even retrogression. The objective situation requires more than walking with faltering steps like a woman with bound feet. Instead, we should maintain a fairly high growth rate, and strive to make a leap and climb onto a new stage every few years. Only in such a way can we make greater contributions to our country, can we occupy a seat in Asian-Pacific region as well as in the world's economic setup, and can we narrow the gap and catch up with advanced countries.

When we say that only development is a convincing argument, we do not negate the significance of stability. Stability is a precondition for development. If political, social, and popular instability prevails across a country or a region, the economy will by no means attain further development; on the contrary, it will be sabotaged. The 10-year catastrophe of the Great Cultural Revolution

brought China's economy to the verge of collapse. Therefore, we must maintain stability to attain development. Stability is always relative, however, while development is absolute. The economic development in a certain period will bring about stability in that period; and continued economic development will break the previous stability, and bring about a new stability at a higher level. Therefore, separating development from stability will mean sticking to conventions and lacking vitality. Any moves of this sort will not only suffocate development, but also make it impossible for us to maintain stability. Since the beginning of reform and opening up, Guangdong has attained an unprecedented economic development, and society is enjoying an unprecedented stability. No matter whether during Beijing's political turbulence in the late spring and early summer of 1989, or during the drastic changes of East Europe and the disintegration of the Soviet Union, Guangdong could manage to keep its head and maintain itself as stable as Taishan. We cannot but attribute all this to the tremendous development accomplished in the 1980's. At present, we should put stability in a correct relationship to development; restrain ourselves from setting stability against development and from putting undue emphasis on stability; base ourselves on development; break new paths and forge ahead in a bold way; and strive to speed up Guangdong's economic development.

To attain the goal of basing ourselves on development and accelerating economic growth, Guangdong must fulfill the following concrete target: We should provide our people with a fairly comfortable life ahead of schedule, and keep up with the economic growth rate of moderately developed Asian countries within the coming 20 years. We did not forward the above target out of wishful thinking, but on objective grounds. Though Guangdong still lags far behind Asia's "four little dragons" in comprehensive economic strength, yet as long as we maintain a two-digit growth rate as it is today in the coming 20 years, we can eventually catch up with them. At present, Guangdong has already enjoyed favorable conditions for maintaining a high economic growth rate. In the 1980's, Guangdong's economy was developing at a fairly high average annual growth rate of 12.4 percent. As a result, Guangdong's economic competitive capability and potential for further development have been enhanced considerably, thus not only accumulating experience but also laying a relatively solid material and technical foundation for high-speed development in the coming two decades. Because people's ideas and concepts have been renewed, and talented professionals have showed themselves in all trades during the development of a commodity and an export-oriented economy, Guangdong has now possessed the ideological and personnel conditions to speed up its economic growth. After going through three years of economic improvement and rectification, Guangdong's economic development has entered a benign circle, and a sound macroeconomic environment has come into being which is beneficial to economic development. All these clearly show that we are currently faced with a good opportunity

to expedite our economic growth; and we should not let slip the opportunity, for it may not wait for us. We must further free ourselves from outdated ideas and concepts, bide our time, devote efforts in a down-to-earth manner, and try our best to attain greater accomplishments during the course of development.

### Economic & Agricultural

#### Economists Foresee Possible Overheated Development

*OW2304140692 Beijing XINHUA in English  
1401 GMT 23 Apr 92*

[Text] Beijing, April 23 (XINHUA)—The Chinese economy has not shown signs of overheating despite rapid development during the first quarter this year, according to economists attending a special symposium here today.

The economists described the growth in this period as "booming amid stability."

They predicted this year's social output value will rise by 12.3 percent, while national income increases by 9.2 percent, and GNP by 9.1 percent.

Liu Guoguang, vice-president of the Chinese Academy of Social Sciences, presided over the symposium on economic analysis and prediction. Such discussions are held twice a year.

The economists predicted that social fixed capital investment during 1992 will reach 615 billion yuan, a 9.2 percent over the previous year.

According to the economists, total consumption is expected to increase substantially by 15.3 percent, while retail sales will increase by 15.1 percent to 1,000 billion yuan. In addition, state revenues and expenditures will exceed the planned target and the consumer price index will rise by five or six percent.

The economists predicted that this year the Chinese economy will continue to develop along the following lines:

- economic growth will continue at a fairly high rate, while national income and social output value will surpass the average rate for the past 13 years. However, the country's various production sectors are expected to experience differing rates of growth.

- stimulated market demand for products will grow ever more evident, and increased investment will provide the major impetus for rapid economic development.

While economists cautioned that current social consumption is a bit lower than normal, they said the consumption structure as a whole remains normal. They stressed that capital and materials supply can meet the demands of economic development.

They said that prices are showing signs of possible further increases, and that the difficulties concerning the state

budget cannot be overcome in the short term. They added although bank savings and loans will continue to increase, the increase will be somewhat lower than in the past.

Based on these analyses, the experts predicted sustained economic development will continue, and the country might possibly experience another period of overheated development. Nonetheless, according to the economists, China will maintain a steady pace of development over the next few months.

They suggested that China should attempt to maintain steady and sustained economic development in order to avoid another round of inflation, while promoting readjustments in the economic structure and improving economic efficiency. These, they said, should be key goals for this year and the next few years.

Other suggestions include establishing favorable economic mechanisms, maintaining a balance between demand and supply, pushing enterprises to the market, reforming the current taxation, enterprise management and pricing systems, and exercising control over investments.

#### Baoshan 2nd Phase Completed; Plans Shanghai Ties

*HK2304134392 Beijing RENMIN RIBAO in Chinese  
18 Apr 92 p 1*

[By correspondent Liu Shian (0491 1102 1344): "Baoshan Iron and Steel General Plant Second Phase Project Completed, Put Into Operation"]

[Text] Shanghai, 17 Apr (RENMIN RIBAO)—The second phase of Baoshan Iron and Steel General Plant was completed and put into operation today. With this, the Baoshan plant, a modern and internationally advanced iron and steel conglomerate, has developed into an industrial base with a complete production range from iron, steel, and base [pi 0999] to finished steel products.

The Metallurgy Ministry and Shanghai Municipality held today at Baoshan plant a ceremony for the completion and operation of the second-phase project. Chen Jinhua, minister of the State Commission for Restructuring Economy, read the cabled congratulations from the State Council. It congratulated and gave warm regards to all the workers, engineers and cadres involved in the construction and production of Baoshan plant; and expressed sincere gratitude to foreign experts and friends involved in the construction and production. The cable says: The construction and start of operations of the Second-Phase Baoshan Iron and Steel General Plant is another significant achievement following the construction and start of operations of the first phase. This is a the result of our country's upholding reform and opening up, assimilating, absorbing and importing technology; and of close coordination and vigorous cooperation between relevant departments, areas, and enterprises. The cable says: The construction of such an internationally advanced steel plant as Baoshan has important significance for raising the overall levels of

our country's steel industry, strengthening national economic power and expediting socialist modernization.

State Council delegate Li Dongye; Metallurgical Minister Qi Yuanjing; He Guangyuan, minister of Machine-building and Electronics Industry; and Shanghai Municipal Mayor Huang Ju were present and spoke at the ceremony.

The construction of the second-phase Baoshan plant, with a gross investment of 17.2 billion yuan, was comprised of six major items: Cold rolling, hot rolling, continuous casting, blast furnace, sintering, coking [jiao hua 3542 0553] and plating [ban juan 2647 0608], and other corresponding equipment. The construction is divided into two sections. Over 40,000 workers, under the organization and planning of Baoshan Project Command, ran things scientifically, struggled arduously and united and worked hard; with the result that the major items were completed on schedule and according to the state plans.

With the coming into operation of the second-phase Baoshan plant, the plant will have an annual combined productive capacity of 6.5 million tonnes of iron, 6.71 million tonnes of steel, 4 million tonnes of hot-rolled plates, 2.1 million tonnes of cold-rolled plates, 500,000 tonnes of seamless steel pipes and 2.6 million tonnes of commercial steel bases; and as Baoshan plant has moved from the first to second phase, its main product will switch from steel bases to steel products; the plant will increase the production of quality steel products urgently needed by the country and improve the product mix of our country's iron and steel industries.

During the construction, the second-phase Baoshan Plant upheld the principle of "importing, assimilating, updating and innovation," developed international cooperation, adopted international-level, new and sophisticated metallurgical technologies; at the same time it stressed self-reliance and pursued projects oriented toward self-development, and accumulated good experiences in building high-quality and extraordinarily large-scale projects. The first-phase Baoshan plant imported whole sets of foreign advanced technology and equipment. In the construction of the second-phase Baoshan Plant, continuous casting and hot and cold rollings were joint ventures with foreign companies, including design, manufacture of the production equipment and installation. Home production accounted for 88 percent of the manufacture of the blast furnace system in the second phase, of which 90 percent of the blast furnace and coking were home-made. After nine months or so of trial production, domestic production of equipment was on the whole a success. The passing rate of the 967 unit projects of the second-phase Baoshan plant in state approval tests is 100 percent; of this 97.8 percent were distinguished projects. The cold rolling, hot rolling and continuous casting received the state distinguished engineering project award. The second-phase project also saved about 200 million yuan in investment.

According to another report, there will be two major moves in our country's steel and iron industries in the 1990s. One is that Baoshan plant will merge with Shanghai steel and iron industry. This was learned by the reporter at the ceremony for the completion of the production and start of operations of the second-phase Baoshan plant. Shanghai Municipality Mayor Huang Ju said at the ceremony that the State Council has in principle agreed to support the joint development of the Baoshan plant and the steel and iron industry in the Shanghai areas in the 1990s. He said the coming together of the Baoshan plant and the Shanghai steel industry signals the rise of China's largest steel enterprise in Shanghai and a big production structural adjustment for the steel and iron industry in the Shanghai area. This will play an important role in allowing them to exercise their respective roles, bring about mutual supplementation, and form a rational production pattern.

#### RENMIN RIBAO Commentary

HK2304134492 Beijing RENMIN RIBAO in Chinese  
18 Apr 92 p 1

[Commentator's article: "Seize the Opportunity to Speed up Development"]

[Text] The news of the completion and start of operations of the second-phase project of the Baoshan steel plant is heartening and worth celebrating.

It is very important to seize the right opportunity in pursuing socialist modernization. Back in those years, there were different understandings on whether or not we should go ahead with the Baoshan steel plant project. Practice has proven that the decision to seize the good opportunity in those years to construct the Baoshan steel plant was correct. Otherwise, our country's steel and iron industry would not be enjoying today's standards. As the State Council's cable of congratulations said: While expediting the transformation of the existing steel and iron industries, the construction of a steel plant at the world's advanced level such as Baoshan, is of important significance for raising the overall level of our country's steel and iron industries, strengthening national economic power, and expediting socialist modernization.

Now, we have the right opportunity to increase the pace of economic construction. In terms of the international situation, despite the volatile world political climate, in the next decade or for longer, we can still find an external environment favorable to our country's modernization effort. This is valuable. In terms of the domestic situation, we have scored tremendous achievements in reform and construction in the 1980s; our combined national strength has greatly increased; the people's living standards have notably improved and enormous experiences have been acquired. After three years of improvement and rectification, total social supply and demand volumes are moving to an equilibrium. With inflation already under control, economic

order has improved. All these have provided better conditions for expediting economic development for some time to come.

Experience has proven that in both revolution and development, it is critically important to be good at seizing opportunities. When the opportunity comes, we must grasp it with both hands; we will therefore win the time, occupy a favorable position, and lastly, achieve superiority. International economic competition at present is fierce. In particular, some of the neighboring countries and regions are going through very rapid economic development. We must accept the challenge with a positive and active stand, join the competition and develop ourselves more quickly. Rowing the boat against the current means that we move either forward or backward. If we stop advancing with moderate wealth and grow content with small progress, we will miss our opportunity and will be overtaken in the race. And once we lose the opportunity, we will be in a very passive position. We cannot afford to lose opportunities because they will not come around a second time.

Judging from the decade-long practice of reform and construction, every few years, our economy has to work to move to a new level, and this has been completely within our ability. Of course we are not encouraging unrealistic high-speed growth. The thing to do is to proceed in a down-to-earth manner, work for practical results and sustained, stable and coordinated development. However, stability and coordination are also relative. It cannot always be that calm and smooth and stable. We therefore need to correctly handle the dialectical relationship between stability and development. It is not good to be overzealous for results in pursuing development. But neither is it good to tie our hands and walk with bound feet. The real issue is to seize the opportunity, take advantage of a favorable situation and move forward and turn favorable conditions into a momentum for development. Stability is essential and necessary. But development is the irrefutable truth and our ultimate goal. We must seek development under a stable condition and look for new stability on the basis of development.

Reviewing the development of some countries, we find that they all went through a high-speed growth period or certain high-speed development stages. The economic development of our country in the last 10 years or so also saw certain acceleration stages. However, the so-called acceleration stage does not come from nothing. It represents an inherent demand of the movement of contradictions. After it accumulates strength for a certain time, it will, at the right moment, take off and move to a new level. This is the dialectic of development. Over the last few years we have learned to guard against an "overheated" economy and a blind chase for high speed, and to provide prompt solutions. This is correct and we should continue to do this. But that by no means implies that we must become overcautious and tie our hands and feet. Economic development will not be smooth sailing. When we spot a problem, we solve it promptly and continue to move ahead. A demand for foolproof actions

and an absence of fluctuations are out of the question. We now have the opportunity and favorable conditions for expediting economic development. We should have a sense of responsibility and urgency, make full use of the opportunity and these conditions, base ourselves on local practical conditions and advance with great strides. We firmly believe that as long as we are all highly motivated and have an active and fighting spirit, work arduously and plant our feet firmly on the ground, we will definitely move our economy to a new level in the near future.

### Zhu Rongji Evaluates Stock Market Experience

HK2304015492 Hong Kong *ZHONGGUO TONGXUN SHE* in English 0957 GMT 21 Apr 92

[Text] Beijing, April 21 (HCKNA)—Shanghai and Shenzhen should boldly experiment with the stock market and find a successful way as soon as possible while at the same time not too many restrictions should be imposed on these two stock markets, China's Vice-Premier Zhu Rongji commented. He pointed out that China had just accumulated a little preliminary experience in the listing of stocks, so it was still too early to popularize it nationwide.

Mr. Zhu has talked on the stock market on several occasions recently, the journal "Securities Investment" disclosed. He believed that the Shenzhen stock market is better than that in Shanghai, especially insofar as the Shenzhen stock market had experienced big ups and downs on one occasion, thereby strengthening the risk consciousness of the people. The Shanghai stock market is not so ideal with too slow development while the prices of stocks have been all the time up with no fluctuation, creating a very poor risk consciousness among the people. Shanghai has not gained the experience which ought to be gained, thereby failing to achieve effectively the purpose of the experiment.

China has no mature experience yet in the issuing of stocks, with no standardization of shareholding enterprises or of listed enterprises. Under such conditions, there should be no unrestricted issuance of stocks, stressed Mr. Zhu, otherwise the credibility of the stocks would be damaged and the process of reform would be affected. It should not go too far before successful experience has been acquired.

### Chen Yun's Son Said Urging Beijing Stock Market

HK2304030392 Hong Kong *THE STANDARD* in English 23 Apr 92 p A-1

[By Cheung Po-ling]

[Text] The economists of China's conservative wing are striving to set up a stock market in Beijing in a bid to consolidate their power base at the central level.

Chinese sources said yesterday that Chen Yuan, the vice-governor of the People's Bank of China, and Wang Qishan, the vice-governor of the Bank of Construction,

had been actively lobbying for the setting up of the country's third securities exchange in Beijing.

The news came as Premier Li Peng yesterday pledged to permit "great expansion" of China's growing market economy and deputies of the Municipal People's Congress in Beijing urged to proceed with the stock-issuing system.

Both Mr Chen, the son of patriarch Chen Yun who is an ardent advocate of central planning, and Mr Wang, in-law of conservative vice-premier Yao Yilin, are considered key central economic planners of the government.

However, following paramount leader Deng Xiaoping's call for bolder reforms, many former economic conservatives, including Mr Chen and Mr Wang, have changed their tune and moved closer to the reformist camp.

Sources said the pair had publicly declared their support for a stock market in Beijing which, being the nation's political and economic hub, had the necessary technology, capital and human resources for the experiment.

Mr Chen, in particular, was trying his hardest to take charge of the financial and economic activities at the central level since he had failed to establish his influence over the two existing stock markets in Shenzhen and Shanghai, according to sources.

Up to now, as many as nine cities and provinces, including Tianjin, Shenyang and Guangzhou, have indicated their desire to have their own stock exchanges. But the central authorities have yet to make a decision on the issue.

In preparation for a successful bid, Mr Chen had liaised with a Hong Kong tycoon who had expressed interest in investing in the Beijing stock market.

After the Hong Kong celebrity had pledged to inject U.S.\$200 million (HK\$1.5 billion) to the stock market, Mr Chen had tried to arrange another 18 listed companies to participate in the exchange, sources said.

**Bank Unveils Housing Reform Measure at Conference**  
HK2304073492 *Beijing CHINA DAILY* in English  
23 Apr 92 p 3

[By staff reporter Zhu Ling: "Bank Backs Up Housing Reforms"]

[Text] Fuzhou—The People's Construction Bank of China, a mainstay of the country's fledgling real estate industry, yesterday unveiled a three-pronged programme to boost the nation's housing reforms.

The programme includes expanding the mortgage banking system, pumping more credits into the country's property industry, and supporting the Sino-foreign joint venture real estate firms with more loans.

The important action was announced by Zhou Daoqiong, the bank's president, at the bank's six-day national conference on the real estate industry, which opened here on Tuesday.

More than 150 people, including the bank's regional chiefs from across the country, attended the meeting.

Zhou said that China is taking bolder steps this year to drastically reform its urban housing and end its 40-year old system of subsidized housing, a heavy burden on the country's budget.

The president called on the 223,000 employees nationwide to "waste no time and go all out" to help facilitate the effort.

The construction bank, the world's 28th largest, will press ahead with its mortgage loan system this year as an important way to commercialize housing, Zhou told the meeting.

Home mortgages, which enable consumers to buy the "big ticket" item without having to put up all the cash at once, will be set up throughout South China's Guangdong Province this year.

The Guangdong branch of the People's Construction Bank of China was the first in the country to adopt Hong Kong's mortgage banking system in early 1990.

Zhou said, "We will greatly develop the home mortgage in China," describing the new business as conducive to the country's housing reforms.

"Detailed studies are being made to work out a mortgage banking system that suits China and best facilitates smooth progress in this field," he said.

According to Li Guowei, chief of the bank's Guangdong branch, Guangdong, which borders Hong Kong, will accept applications for loans to 80 percent of the value of the house being purchased.

By the end of last month, Li said, the bank's branches in Guangdong had provided more than 7,700 families with mortgage loans totalling 320 million yuan (\$59.26 million). More than 27,000 people moved into new homes. Zhou Daoqiong declined to say if the mortgage loan system would soon be adopted by other places in China. But some bank officials said that Fujian would be the next province to experiment with the new system to beef up its property industry.

Zhou Daoqiong caused a stir among the country's banking circles yesterday when he announced that his bank will offer 12 billion yuan (\$2.2 billion) worth of special credit this year to back up the country's real estate industry. The figure is some 6 billion yuan (\$1.1 billion) more than last year's total.

Real estate analysts describe the loan injection as a strong signal by the Chinese Government to forge ahead with its massive housing reforms, which as the State Council said early this year, will be carried out extensively by the country's major coastal cities by the end of this year.

The reform measures include pooling money to build houses and issuing bonds for real estate development, as well as

launching special housing funds contributed jointly by the government, individuals and their work units.

The Chinese Government has pledged to increase the average per capita living space for urban residents from 7.1 square metres to eight square metres by the year 2000.

Regarding the Sino-foreign joint venture property firms, the bank president promised more loans this year to help them develop their business in China, but did not elaborate. There are now more than 100 such companies in China.

### Restructuring Official Views Reform, 1990s Goals

OW2304031792 Beijing XINHUA Domestic Service  
in Chinese 1308 GMT 22 Apr 92

[By reporter Zhang Jinshen (1728 6930 0524)]

[Text] Beijing, 22 April (XINHUA)—Introducing China's basic experiences in restructuring its economy at the international seminar on the transformation of economic mechanisms currently held in Beijing, Gao Shangquan, vice minister of the State Commission for Restructuring the Economy, said: The fundamentals of China's reform and opening to the outside world have all along included taking the road of building socialism with Chinese characteristics by taking into consideration its own state conditions, and the consolidation, perfection, and development of the socialist system amid reform and opening up. He said that, beginning this spring, China has entered another new period where the pace of reform will be further hastened and the scope of opening widened.

Gao Shangquan briefed Chinese and foreign economists on the three stages that China has been experiencing in the process of restructuring its economy over the past 13 years. The first stage—from the end of 1978 through October 1984—saw reform taking off from and making tremendous success in rural areas; in the urban areas, both general and specific experiments were conducted to delegate more power to enterprises to run their businesses more independently. The second stage—from October 1984 through September 1988—saw the shift of the gravity of reform from rural to urban areas, which took strengthening the vitality of state-owned enterprises as its central link and gradually covered all sectors of the economy, from microeconomic to macroeconomic. With concrete results being achieved on the economic front, the restructuring campaign was further extended to cover such other spheres as politics, science and technology, and education. The third stage—from September 1988 through the end of 1991—was the period when China underwent its economic improvement and rectification drive and deepened reform, and now we find ourselves in another new period.

Gao Shangquan expounded on China's basic reform experiences from five perspectives:

—Persistence in taking economic construction as the center and, through reform and opening up, the emancipation and development of productive forces as basic tasks of socialism;

—In the process of reform and opening up, efforts must be made to find a new outlet in practice by conducting bold experiments and daring explorations, and by adhering to the principle of seeking truth from facts;

—Correct handling of relations among reform, stability, and development; and grasping opportunities to develop the national economy at a faster pace, an attempt to push the economy to a new level in a very few years;

—Persistence in incorporating plans with the market, nurturing and developing a socialist market system, and firmly exposing state-owned enterprises to the market;

—Persistence in incorporating domestic reform and opening to the outside world, making them complement and benefit each other.

Touching on the prospects of China's economic restructuring, Gao Shangquan pointed out: The 1990s is a crucial period for China's economic construction. The key for realizing the second-step strategic objective of the national economy lies in the continued resolute implementation of reform and opening to the outside world. The general objective and direction of China's economic restructuring for the coming decade are to initially establish a new system of socialist planned commodity economy and an economic operating mechanism combining a planned economy and market regulation. The main melody of China's economic life in the 1990s will be to further emancipate the mind, make bolder exploration, and accelerate reform and opening up. Major tasks for reform and opening up are: To continue deepening enterprises' reform; to further intensify restructuring the market circulation system; to transform the government's functions relating to economic management; to strengthen indirect macroeconomic regulation and control; to positively promote reform of the social security system with a view to gradually establishing a new social security system; to open wider to the outside world by carrying on a good job in running the special economic zones and coastal open areas and gradually opening up the hinterlands; to attract foreign funds in various formats; and to encourage foreign businessmen to contract the comprehensive development of certain areas.

### Engineering Coalition To Bolster Overseas Trade

HK2304080092 Beijing CHINA DAILY in English  
23 Apr 92 p 2

[By staff reporter Wang Yong: "Coalition To Bolster Overseas Strategy"]

[Text] A group of Chinese overseas engineering companies formed a loose-knit coalition in Beijing yesterday to sharpen their competitive edge in world markets.

The coalition is headed by the China National Foreign Building Materials and Equipment Corporation (CBMEC) and comprises 20 other overseas engineering companies from 12 provinces and cities, including Beijing, Shanghai, Jiangsu, Yunnan, Heilongjiang, Jilin and Liaoning.

Most of them are ranked among the elite overseas engineering contractors in China.

"One of the advantages of our coalition is that we can pool our money and orchestrate consensual action in overseas affairs effectively," said Yang Wensheng, CBMEC president and chief of the coalition.

His company is an expansive conglomerate dealing mainly in overseas engineering contracting, labour exporting, overseas investment and international trade.

The coalition is set to boost its image as a powerful overseas investor and that of the other members, he commented.

Wulan Mulun, Vice-Minister for Foreign Economic Relations and Trade, said he expected the coalition to snatch more specialized industrial projects overseas and export more senior technicians.

He also urged members to establish lasting export bases and develop more high-tech products in collaboration with domestic scientific research institutions.

The priority markets of the coalition will be the developing countries, said Yang. "But we're ready to gain a foothold in developed nations as well," he added.

Certain members of the coalition are expected to go to the Commonwealth of Independent States, Eastern European and Southeastern Asian countries for market surveys this year.

### Strategy of Moving 5 Major Industries Westward

HK2304063792 Hong Kong CHING-CHI TAO-PAO  
in Chinese No 13, 6 Apr 92 p 22

[("China Economic News" article: "Five Major Industries Move West")]

[Text] In the 1990s, there has been a remarkable change in China's regional development strategy and a strategic westward shift has been started in five major industries:

Coal's strategic westward shift: The Shaanxi-Gansu-Ningxia area is rich in coal resources. The exceptionally large, 14-million-tonne Huating Coal Mine in Gansu has been included in the state plan.

Petroleum's strategic westward shift: Prospecting is now underway in the Changqing Oilfield, which is at the juncture of Shaanxi, Gansu, and Ningxia. According to specialists, three major basins in Xijiang and the

Shaanxi-Gansu area can probably become two large oil and gas fields in the next century.

Electric power's strategic westward shift: At the Huang He's upper reaches, the construction of the Liujiashia, Longyangxia, Qingtongxia, and two other step [ti ji 2748 4787] power stations have been completed and the construction of the Lijiaxia Power Station is now under way. The three minor gorges (Daxia, Xiaoxia, and Wujinsha) at the Huang He's upper reaches are also being developed.

Nonferrous metal's strategic westward shift: Gansu is a "nonferrous-metal province" in reality as well as in name. The province ranks first in China in terms of such minerals as zinc, copper, aluminum, lead-zinc, rare earth, and platinum. The state is planning to invest and build a nonferrous metal base in Gansu.

Railway development's strategic westward shift: The railway trunk lines currently under way or to be built include the Baoji-Zhongwei railway, the Lanzhou-Urumqi multiple-track railway, and the supporting project of the Lanzhou-Wuwei electrified railway.

### Government Opens 162 Ports to Outside World

OW2304085292 Beijing XINHUA in English  
0814 GMT 23 Apr 92

[Text] Nanjing, April 23 (XINHUA)—China has opened 162 ports to the outside world in the past decade, which are scattered in the country's coastal areas, inland airports, railways and highways.

This was released by a leading official from the office in charge of ports under the State Council, who is here attending the Jiangsu provincial conference on port management.

The official said the 162 open ports include 89 sea ports and ports along the inland rivers of the country, 31 airports, 12 ports along the railways and 30 along the highways across the country.

These open ports have played a very important role in enhancing Sino-foreign economic and cultural exchanges, and acted as effective channels used by China to develop its export-oriented economy.

Besides these national ports, south China's Guangdong Province has also opened 130 provincial ports, which have greatly promoted the local economic development.

### Correction: RENMIN RIBAO on Shanghai Reform

WA24142492

The following correction pertains to the two related articles under the headline "RENMIN RIBAO Lauds Shanghai Reform", published in the 16 April China DAILY REPORT beginning on page 39:

Sourceline, make read: ...Beijing RENMIN RIBAO in Chinese 12 Apr 92....(correcting date of source)

**East Region****Anhui Deputies Hear Reports on Deng's Speeches**

OW2304113092 Hefei Anhui People's Radio Network  
in Mandarin 1100 GMT 22 Apr 92

[From the "Provincial Hookup" program]

[Text] The 30th Session of the Seventh Anhui Provincial People's Congress Standing Committee was held on 21 April. The meeting was presided over by Chairman Wang Guangyu.

Zheng Rui, vice chairman of the provincial people's congress Standing Committee, conveyed the guiding spirit of the Fifth Session of the Seventh National People's Congress.

He said: The Fifth Session of the Seventh National People's Congress was held at a time when the international situation is experiencing rapid changes, and political and social conditions at home are stable. The meeting, with further emancipating the mind and accelerating the reform, opening to the outside world, and economic development as a keynote, carried out the guiding spirit of comrade Deng Xiaoping's remarks in a comprehensive manner. Permeated with a warm atmosphere of reform and opening to the outside world, the meeting was a successful one in that it has shown the spirit of democracy, seeking truth, unity, enthusiasm, and uniformity in ideology and belief for promoting reform, opening to the outside world, and the cause of national construction.

He added: It is necessary to conscientiously study the documents released by the meeting, deepen publicity, carry out the guiding spirit of the meeting, and carry forward the down-to-the-earth work style in a bid to accomplish all tasks decided upon at the meeting. It is imperative to make good use of favorable opportunities to continue reform, quicken the steps of opening to the outside world, and accelerate economic growth in the province by demonstrating the spirit of the responsibility system practiced in rural areas in past years, and the spirit of fighting against last year's floods.

Entrusted by the provincial people's government, Deputy Director Yang Baozhen of the provincial water conservancy department, gave a briefing on the implementation of the "Draft Measures of the Law of the People's Republic of China on Water Resources in Anhui." Director Yu Liangbi of the provincial geology and mineral resources department briefed the meeting on issues concerning the amendment to the "Administrative Measures on Tapping Mineral Resources by Township Enterprises and Private Households in Anhui Province." Director Hou Yukun of the provincial civil affairs department delivered a report on the production and disaster relief work in the province.

The meeting continued in the afternoon, hearing the following reports: a) Report by Deputy Director Yang

Baozhen of the provincial water conservancy department on harnessing the Huai He and building water conservancy projects; b) report by Director Yu Liangbi of the provincial geology and mineral resources on the implementation of the law of mineral resources in the province. The afternoon meeting was presided over by Chen Tingyuan, vice chairman of the provincial People's Congress Standing Committee.

Attending the meeting were Meng Fulin, Ying Yiquan, Kang Zijie, Du Weiyou, Chen Tianren, Du Hongben, and Lu Zixiu. Attending the meeting as observers were Zhang Runxia, vice governor of the provincial people's government; and Wang Chengle, president of the provincial higher people's court.

**Jinan City Court Sentences Convicts to Death**

SK2404021392 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 21 Apr 92

[Text] On the morning of 21 April, the Jinan City intermediate people's court sponsored an open trial, at which 39 serious criminal elements, who had been violent and committed all kinds of evil, were strictly punished in line with the law. Of these convicts, 12 who had committed the most heinous crimes were sentenced to death in line with the law.

In conducting reform, opening to the outside world, and accelerating the pace of economic construction, we need a fine environment of public security and 39 convicts involved in 16 cases and tried by the Jinan City intermediate people's court are serious criminal elements. They have seriously endangered the social peace, done all kinds of evil, and have long criminal records. (Zhang Lixiang), guilty of intentional murder, was sentenced to death according to the law because he rode a motorcycle without a license after drinking on the afternoon of 4 Dec 1991, resisted checking by and on-duty traffic policeman, and knocked down and killed a traffic policeman who was performing his duty. (Chen Ming), (Li Chao), and (Xia Yong) are convicts who committed 23 thefts and hold-ups during the period from March to August last year and stole 22 motorcycles. Their stolen money and articles are worth more than 64,000 yuan. (Chen Ming), principal criminal, was sentenced to death in line with the law and (Li Chao) and (Xia Yong), accessories, were sentenced to death, with the sentence suspended for two years, and to eight-years imprisonment, respectively.

**Shanghai Congress Hears Reports on Development**

OW2304113192 Shanghai People's Radio Network in Mandarin 2300 GMT 21 Apr 92

[From the "Morning News" program]

[Text] The Fifth Session of the Ninth Shanghai Municipal People's Congress held its second plenary session yesterday afternoon [21 April]. The session heard a report on the situation of implementing Shanghai's 1991

National Economic and Social Development Plan and the draft 1992 Plan by Vice Mayor Gu Chuanxun; and a report on Shanghai's final accounting of revenue and expenditure in 1991 and its draft budget for 1992 by Vice Mayor Zhuang Xiaotian.

In his report, Gu Chuanxun put forward the principles and major tasks for the 1992 Plan:

1. Step up the pace of development and increase comprehensive economic strength. According to the Plan, the total output value of goods and services for the municipality will increase by 7 percent. From now on, Shanghai's industry should be restructured from the type adapting itself to the municipality's situation to one for strategic purposes, so that the proportion of primary, secondary, and tertiary industries will become more rational and the growth of tertiary industry will exceed 8 percent this year.
2. Further attach importance to, and give priority to agriculture, and promote the advance of agriculture through the application of science, technology, and education.
3. Continue to readjust the pattern of investment; concentrate efforts on accelerating the construction of infrastructure facilities in the municipality; and lay stress on the construction of roads, communications networks, gas fittings, housing, water conservation works, and projects that are closely related to the people's life.
4. Step up the pace of Pudong's construction to create a clear climate of development. The study and formulation of Pudong's new management system must be completed and submitted for appraisal this year. The preparatory work for replacing the old system with the new one should be done appropriately. We should also actively step up the negotiations on a number of major projects, and complete the expansion of Yanggao Road and the construction of a wharf at the Waigaoqiao Port. The first-phase development of four sub-districts should make remarkable progress.
5. Use more foreign funds and increase our economic contacts with the outside world.
6. Revitalize the domestic market and control commodity price level to ensure the people's living standard.
7. Raise the economic efficiency of industrial enterprises as a whole and carry forward the restructuring of industry.
8. Vigorously increase revenue, cut down expenses, and strive to increase the revenue of [word indistinct]. The local budgetary revenue for this year is 16.5 billion yuan.
9. Fully bring out Shanghai's scientific and technological strength to promote economic development.
10. Promote education, public health, culture, and sports, and strengthen spiritual construction.

Vice Mayor Zhuang Xiaotian noted in his report: The main principles for the 1992 budget are to continue the deepening of reform; to support Pudong's development; help state large and medium-sized enterprises increase economic returns; make efforts to tap new financial resources, increase revenue, and ensure the amount of revenue to be turned over to the central authorities; strictly control recurrent expenditure; strive to use funds in a more efficient way; and control the budget deficit.

Li Jiaohao, executive chairman of the session, chaired the plenary session yesterday afternoon. Beginning yesterday, deputies were divided into groups to discuss the government work report given by Mayor Huang Ju.

#### **Zhejiang Congress Relays NPC Session Guidelines**

*OW2304144592 Hangzhou ZHEJIANG RIBAO  
in Chinese 16 Apr 92 p 1*

[By reporters Xu Shiqin (1776 0013 2953) and Lang Hong (6745 5725); "Provincial People's Congress Standing Committee Meets To Relay Guidelines"]

[Text] On the morning of 15 April, the provincial People's Congress Standing Committee convened a meeting to relay important guidelines. Wu Minda, deputy to the National People's Congress [NPC] and vice chairman of the provincial People's Congress Standing Committee, relayed the guidelines of the Fifth Session of the Seventh NPC to members of the Standing Committee and Deputies to the provincial people's congress in Hangzhou.

Wu Minda said: The Fifth Session of the Seventh NPC was convened at a crucial period in China's reform and construction. It was also the last session of the Seventh NPC, which drew the attention of the whole nation and the whole world. The keynote of the session is the party's basic line of "one central task and two basic points," in which we will not waver for 100 years. This basic line was adopted in light of the main contradictions in the initial stage of China's socialism and the need to solve them. It was formulated in the course of practice and it did not come easily. We should take the expositions of comrade Deng Xiaoping on building socialism with Chinese characteristics as our guide, further emancipate our minds, be realistic, seize the current opportune time to accelerate the pace of reform and opening to the outside world, concentrate on pushing economic construction forward, and make new contributions to the construction of the two civilizations.

The meeting was presided over by Wang Yumin, vice chairman of the provincial People's Congress Standing Committee. Also attending the meeting were Vice Chairman Wang Qidong; Kang Mingcai, chairman of the Committee in Charge of Work Related to Deputies; and officials in charge of the various work committees under the provincial People's Congress Standing Committee and relevant provincial departments.

**Central-South Region****Xie Fei at Party Standing Committee Meeting**

HK2404011492 *Guangzhou Guangdong People's Radio Network in Mandarin 0400 GMT 23 Apr 92*

[Text] The provincial party committee Standing Committee called a meeting yesterday to find out how the strategic plan for relying on science and technology for economic development set forth by the provincial party committee early last year had been implemented and how the decision on relying upon science and technology for economic construction made by the provincial party committee and government in July last year had been carried out.

Leaders of the six provincial leading bodies attended the meeting.

Provincial party committee Secretary Xie Fei officiated at the meeting and gave a speech.

Liang Jia, chairman of the provincial science committee, gave a detailed account of the relevant work. In his report, Liang Jia said: Guangdong made great progress of a strategic nature in reforming the management system for science and technology in 1991, blazing a new trail. All cities made decisions and drew up plans for economic development through application of science and technology and increased investment in science and technology. Science and technology played an increasingly greater role in Guangdong's economic development.

Liang Jia continued: Though Guangdong has made some achievements in turning to science and technology for economic growth, we have a long way to go in comparison with the requirements of economic development and social progress and with the goal of catching up with the four little dragons in 20 years. In the future, we must work hard to enhance the popular awareness of the importance of science and technology, deepen the reform of the management system for science and technology, train more professionals, increase investment in science and technology, [words indistinct], and strengthen the departments in charge of science and technology.

The meeting agreed with the provincial science committee's report and its evaluation of Guangdong's scientific and technological progress.

The meeting pointed out that it is necessary to promote economic development by drawing on scientific and technological progress and enhancement of the work force's quality, regarding this an important task and an essential measure for catching up with the four little dragons. We must also study ways to catch up with them in the educational field and train professionals at a greater pace.

**Li Hao on Building Socialist 'Hong Kong'**

HK2304034492 *Hong Kong CHING CHI TAO PAO in Chinese No 13, 6 Apr 92 p 22*

[“Economic News” article: “Shenzhen City Party Secretary Li Hao on Building Shenzhen Into Socialist ‘Hong Kong’”]

[Text] A few days ago, Li Hao, secretary of the Shenzhen City CPC Committee, pointed out: A central leader urged building Shenzhen into a socialist “Hong Kong.” This meant setting a figurative strategic goal for Shenzhen, which should strive to attain the goal as quickly as possible by displaying the spirit of daring to break through.

Li Hao said: Socialist “Hong Kong” should be entirely new. Upon hearing word about building Shenzhen into a “Hong Kong,” some people immediately felt disgusted and argued that this would mean practicing capitalism. This is entirely a misunderstanding. What we want to build Shenzhen into is an entirely new, more superior, and socialist “Hong Kong.” Our aim is not to Hong-Kongize Shenzhen. The future Shenzhen and Hong Kong are identical in the following ways: 1) The two cities serve as an international trading, financial, shipping, and information center; 2) in terms of operation mechanisms, they operate according to common international practices and Shenzhen can use Hong Kong's economic rules and regulations as a reference; 3) they both became special customs zones, where the exit and entry of personnel, goods, and funds are free; and 4) they are both fairly economically developed. They are different mainly in social systems (Hong Kong's is capitalist while Shenzhen's is socialist), the nature of political power, ownership, distribution principle, and ideology.

Li Hao said: Of course, while we say we want to create another “Hong Kong,” this does not mean exclusively confining our efforts to the economic aspect, because it takes a very long time to surpass Hong Kong in this regard. However, in a capitalist society there is unfairness in wealth possession between rich and poor and common prosperity is impossible to achieve under capitalism. We will strive to care for the people's well-being.

**Shenzhen Closes Down Listed Joint Venture**

HK2404093792 *Hong Kong MING PAO in Chinese 21 Apr 92 p 8*

[“Special dispatch”: “American Consulate General in Guangzhou Shows Concern for Yuanye Company in Shenzhen Being Recently Closed Down by the City Authorities”]

[Text] Yuanye Enterprise Co. Ltd., the first Chinese-foreign joint venture to be quoted on Shenzhen's stock exchange, was recently closed down by the Shenzhen authorities. This event may become another obstacle to Sino-U.S. relations. Because one of the company's main shareholders is an American citizen of Chinese origin, the U.S. Government will be concerned about the event and may hold that this is not only related to American

people's rights and interests when doing business in China, but also gives expression to whether China's market is open or not.

On the other hand, last Saturday [18 April], Yuanye Company officially lodged a complaint with the Middle Level People's Court in Shenzhen City according to China's Administrative Procedural Law to bring a suit against the Shenzhen Branch of the People's Bank of China and the Industrial and Commercial Administration of Shenzhen City and to claim damages and demand the lifting of the ban. The court will take 15 days to consider whether or not to accept and handle the suit.

The Yuanye incident occurred in early April. On 7 April, the Shenzhen Branch of the People's Bank of China announced through Shenzhen Television and SHENZHEN TEQU BAO that the creditors of Yuanye, namely, various local financial institutions, had sent their personnel to audit the accounting books of Yuanye and its four subordinate factories in order to ensure enterprise profits and the debt repayments. However, one day before that, the Industrial and Commercial Administration of Shenzhen City abruptly announced the decision on closing down the company.

Before that announcement, four officers of the Shenzhen Branch of the People's Bank of China went to Yuanye's headquarters and took away Fang Xiaowen and Xiao Jijie, Yuanye's two executives, to an unknown place. On 11 April, Yuanye received a notice from the bank branch, telling the relatives of Fang and Xiao to bring daily use articles and money to the bank office. While their wives wanted to see them, they were told that Fang and Xiao were "temporarily kept apart from the outside world."

The indictment of Yuanye Company said: According to the Civil Law and the Bankruptcy Law in China, creditors only have the right to directly require debtors to repay debts or to do this through the legal procedures. As a government institution responsible for managing financial activities, the bank branch interfered in the internal affairs of Yuanye Company without the authorization of the creditors and the endorsement of the debtor. This was an illegal action that infringed upon the company's management right. Moreover, the bank branch detained the company's management personnel, and this also violated the PRC Constitution. Therefore, Yuanye demanded that the court invalidate the bank branch's announcement, order the bank branch to release Fang and Xiao and restore their freedom, and immediately rescind the Industrial and Commercial Administration's decision to close down Yuanye.

Yuanye Company said: The company's economic activities are now in a paralyzed or semi-paralyzed condition, and many foreign economic cooperation projects have been forced to stop. The accumulative economic losses reach nearly 100 million yuan.

Hong Kong's Ruishou Enterprise (Group) Company originally held 50.7 percent of Yuanye's shares, and its main shareholders are Australians and Americans. It is

learned that the Australian and U.S. Consulates General in Guangzhou have known about the event and have shown concern for it.

### Reportage Views Xiong Qingchuan's Activities

#### Attends Hunan CPPCC Session

HK2304062692 Changsha Hunan People's Radio Network in Mandarin 2300 GMT 19 Apr 92

[Excerpts] The Fifth Session of the Sixth Hunan Provincial Chinese People Political Consultative Conference [CPPCC] Committee was solemnly inaugurated in Changsha on the morning of 19 April.

Provincial CPPCC committee Chairman Liu Zheng and Vice Chairmen Zhou Zheng, Tong Ying, Xu Junhu, Chen Xiaochan, He Shaoxun, Zhang Deren, Han Ming, Zhuo Kangning, Deng Youzhi, Long Yuxian, and Yang Zhongshu were seated in the rostrum's front row.

Provincial party, government, and military leaders, including Xiong Qingquan [provincial party committee secretary], Chen Bangzhu [governor], Sun Wensheng, Liu Fusheng [provincial people's congress Standing Committee chairman], Shi Jinshan, Dong Zhiwen, Peng Weiqiang [provincial military district commander], Shen Ruiting, Li Tiangeng, Luo Qiuyue, Chen Xinmin, Xie Xinying, Cao Wenju, Liu Yue, Tang Jizhi, Wang Xiaofeng, Chen Binfan, Chu Bo, and Jin Feng [provincial military district political commissar] as well as Zhan Xuchu [provincial higher people's court president] and Qi Zhengying [provincial people's procuratorate chief procurator], also attended, extended congratulations, and were seated at the rostrum. [passage omitted]

Liu Zhen, Yin Changmin, and Chen Xiaochan, executive chairmen of the Fifth Session of the Sixth Hunan Provincial CPPCC Committee, presided over the opening ceremony.

At 0900 in the morning, Liu Zhen declared the fifth session open. [passage omitted]

Entrusted by the Sixth Hunan Provincial CPPCC Committee Standing Committee, Zhuo Kangning, provincial CPPCC committee vice chairman and secretary general, delivered a Standing Committee work report at the session, in which he said: Over the past year, the Sixth Provincial CPPCC Committee Standing Committee has resolutely carried out the party's basic line of one center, two basic points; closely adhered to economic construction as the center; conscientiously exercised such basic functions as political consultation and democratic supervision; and actively participate in the discussion and management of the state and political affairs; as well as done a lot of work and scored new successes in developing Hunan, promoting Hunan's reform and opening up, pushing ahead with Hunan's two socialist civilizations building, consolidating and developing a political situation of stability and solidarity in Hunan, enhancing friendly ties and establishing associations with foreign

and overseas organizations and personalities, and advancing the great cause of peaceful reunification of the motherland. [passage omitted]

Zhuo Kangning concluded: All members, let us rally closely round the CPC Central Committee with Comrade Jiang Zemin as the nucleus, make concerted efforts, work with one heart and one mind, pool both wisdom and efforts of all, continually forge ahead, and strive to contribute more to Hunan's economic rejuvenation under the Hunan Provincial CPC Committee's leadership! [passage omitted]

Provincial CPPCC committee Chairman Liu Zheng made a report relaying both the Fifth Session of the Seventh CPPCC National Committee's situation and main spirit. [passage omitted]

Liu Zheng summarized various opinions expressed at the Fifth Session of the Seventh CPPCC National Committee into the following points:

1. To grasp current opportunities to bravely explore, forge ahead, and focus on economic construction.
2. To conscientiously implement Comrade Deng Xiaoping's important speeches, further emancipate minds, unify understanding, aim at clear-cut work aspects, and carry out work in a practical and down-to-earth manner.
3. To further improve agriculture, attach great importance to improving the quality of peasants, invigorate rural circulation, and promote economic development in poverty-stricken areas.
4. The key to invigorating state-run enterprises lies in enhanced determination in deepening enterprise reform.
5. To strengthen leadership and attach great importance to developing individual and private economies as well as enterprises run with three types of capital, including foreign capital, overseas Chinese capital, and with both Chinese and foreign capital.
6. To deepen scientific, technological, and educational structural reforms and step up spiritual civilization building.
7. To support the building of the Three Gorges project and attach great importance to preparatory work pertaining to the project.
8. The CPPCC organizations should earnestly strengthen and improve work and strive to contribute more to speedier reform, opening up, and economic construction. [passage omitted]

The Hunan-based CPPCC National Committee members also attended the opening ceremony as guests.

### Inspects Localities

HK2304014692 Changsha Hunan People's Radio Network in Mandarin 2300 GMT 17 Apr 92

[Excerpts] From 12 to 17 April, provincial party committee Secretary Xiong Qingquan made studies and investigations in Changde City, Yiyang Prefecture, and the (Xiangya) tree farm in Dayong City, to find out how the spirit of the CPC

Central Committee Political Bureau plenary meeting and of Comrade Deng Xiaoping's important speeches had been studied and implemented.

He pointed out: In studying Comrade Deng Xiaoping's speeches, we must apply the speeches to reality, that is, we must take action earnestly to implement the speeches' spirit, do solid work, and pay attention to efficiency, rather than indulging in empty talk.

Wherever he visited, Comrade Xiong Qingquan had informal discussions with local cadres and people about implementing Comrade Deng Xiaoping's important speeches. He invariably asked: Are there any new state of affairs, new problems, or new experiences? How can we broaden our horizons in the course of reform and expedite economic construction?

While in Anxiang County, which was repeatedly hit by floods in the past, when told by local leaders of the difficulties in selling their products and buying what they need, problems which have been fettering development of rural economies, Comrade Xiong Qingquan said: You can learn from the (Jielianggong) farm, which operates flexibly, by introducing their mechanism so that the county government will be provided with administrative functions and with the enterprise mechanism, thus enlivening itself.

In Changde City, when he learned that cadres working in financial and trade fields were changing the operational mechanism of cooperative stores and state-owned commercial enterprises in a bid to promote large-scale circulation and commerce; that the six city-level major special wholesale companies had introduced the shareholding system to organize enterprise groups, which jointly operated with production enterprises, combining with both factories and retail stores; and that small or money-losing state-owned enterprises were being run under a lease contract, Comrade Xiong Qingquan gladly said: Well done! You can act bolder. Counters of major state-owned stores can also be leased out under contract.

When he learned that the money-losing (Xintong) cement factory had been merged into a small rural cement factory in the (Jingcheng) district, he expressed appreciation, saying that we should not only encourage superior rural enterprises to merge loss-making county-run enterprises but also incorporate the operational mechanism of rural enterprises into [words indistinct] enterprises, smashing the three irons at a higher level. [passage omitted]

He said: Hunan is a landlocked province and is lagging behind coastal provinces mainly in reform and opening up. We should increase the momentum of reform and make still greater efforts to promote opening up. We must implement more preferential policies and attract technologies and funds from coastal areas to build up joint ventures and develop the areas along the rivers by allowing coastal areas access to a part of our market, thus making us a helper for them.

Comrade Xiong Qingquan pointed out: Achieving the objective of giving our people a fairly comfortable life relies to a great extent upon the development of rural enterprises. Therefore, leaders at all levels, especially leaders at county and township levels, should promote rural enterprises the way they promote family planning, regarding it a strategic task.

Xiong Qingquan continued: With the implementation of the spirit of the central guidelines and of Comrade Deng Xiaoping's important speeches, new state of affairs, new problems, and new experiences will keep cropping up. Leading party and government cadres at all levels must frequently go down to the forefront to collect first-hand materials so that they will really get to know how things stand and be able to exercise face-to-face leadership.

He said: We must adopt a correct attitude toward reform and opening up. Argument about the reform and opening up policies should be prevented; people should be allowed to act as onlookers, but no obstructions are tolerable. We must boldly press ahead with anything which we consider correct and have fixed.

### North Region

#### **Li Ximing Absent From Two Beijing City Sessions**

HK2404040092 Hong Kong MING PAO in Chinese  
24 Apr 92 p 8

[By Su Nan (5685 0589): "Conservative Beijing Municipal Party Secretary Li Ximing Does Not Attend Two Municipality Sessions; Attendees Ask: Where Is Li Ximing?"]

[Text] "Where is Li Ximing?" Many people attending the current Beijing Municipal Chinese People's Political Consultative Conference [CPPCC] and People's Congress sessions asked the two sessions' presidiums. In the past, Li Ximing, as a CPC Central Political Bureau member and Beijing Municipal CPC Committee secretary, certainly "issued instructions" at large and small meetings when the municipal CPPCC committee and the people's congress were in session. This time, however, Li Ximing, who always keeps a tough and conservative attitude, was absent from the sessions, which were held under the influence of the "Deng whirlwind."

According to sources, Li Ximing was "unhappy" and left Beijing to "inspect" the Three Gorges and "relieve boredom" there. After the CPPCC National Committee and the National People's Congress [NPC] sessions concluded, Beijing convened municipal CPPCC committee and people's congress sessions, but Li Ximing did not appear at either session.

The municipal CPPCC session was held on the afternoon of 9 April. According to previous practice, CPC members in the CPPCC municipal conference convened in the morning to "unify thought," but this time, it was not Li Ximing but municipal CPPCC committee Chairman Bai Jiefu who gave the speech. Bai said that Li

Ximing was not in town, so he would say something about how to make the session a success on the municipal party committee's behalf.

Many municipal CPPCC committee members were dissatisfied with Beijing's conservative and backward situation over the last few years, and hoped that the session would, being pushed by the "Deng whirlwind," play a role in promoting reform in Beijing. However, Bai Jiefu's "opening speech" and the government work report, delivered to the sessions to solicit their opinions, only mentioned reform very generally. They did not mention the need to guard against "leftism," did not mention that the party's basic line of taking economic construction as the central task must be kept in force for 100 years, and did not mention the need to raise the speed of economic growth and move up to a new stage. So most municipal CPPCC committee members were disappointed and dissatisfied. When speaking at the group meetings, they kept asking why Li Ximing, Beijing Municipality's top leader, was absent from such an important meeting at such a crucial juncture. They also strongly pointed out that if Beijing Municipality still fails to boldly emancipate thought and speed up reform, it will lag farther behind other provinces and municipalities.

At the Beijing People's Congress session which began last Friday, many deputies criticized the conservative style of the Beijing Municipal CPC Committee and government. Mayor Chen Xitong was forced to admit that they did not deeply understand Deng Xiaoping's thoughts and did not do enough in emancipating their minds and boldly advancing reform.

In addition, the municipal people's congress deputies also strongly demanded that the municipal authorities take action to streamline the administrative structure, delegate more powers to lower and grass-roots units, transform functions, and enhance work efficiency.

Political analysts hold that Li Ximing left Beijing to dodge the two sessions obviously to passively resist Deng Xiaoping's new instructions. However, as the "Deng whirlwind" has blown to the grass-roots units, Li cannot free himself from the fate of being eventually kicked out of power.

#### **Beijing Congress Calls for 'Streamlining' Organs**

HK2404002792 Beijing ZHONGGUO XINWEN SHE  
in English 1431 GMT 24 Apr 92

[Text] Beijing, April 23 (CNS)—During the Fifth Session of the Ninth Beijing Municipal People's Congress being held here, an increasingly strong voice is being heard for the streamlining of personnel and organs, the releasing of power to lower levels, the switching of functions and the upgrading of efficiency which should start from the upper level and reach down to the lower level within the municipal government.

Overstaffing and the duplication of organizations and redundancy of personnel are very serious. With the setting up of an organ, the staffing which follows is so

great in terms of numbers and all at the local government's expense. Time is always lost because of red tape, with official documents travelling through various departments, resulting in unnecessary delays, according to views generally expressed by deputies.

Some deputies said that the municipal government had exercised excessive control over various matters with too much centralization and too little democracy, which in turn posed, to a certain extent, obstacles to economic construction and development.

Deputies to the municipal people's congress strongly voiced their opinion that by gaining valuable experience acquired by southern coastal development zones, the municipality should carry out reform of governmental organs as soon as possible.

Beijing will gradually implement a practice of "small-sized government with large-scale service", starting from districts and counties, Mayor Chen Xitong said. He admitted that the government work at present was awash with "too many meetings, too many documents, too much appraisal, too many ribbon-cuttings and a too busy social life", all of which belonged to formalism and bureaucratism.

The suburban county of Shunyi took the lead in practising "small-sized government with large-scale service." Following the introduction of such practice, according to the head of the county, Mr Wu Guiyun, three type foreign-funded enterprises there clearly developed at a faster pace.

The municipality is said to have frozen the number of government staff and stopped an increase in the number of organs, while at the same time studying streamlining policies.

### Beijing Firms Want Nonpublic Ownership Growth

HK2404021192 Hong Kong *ZHONGGUO TONGXUN SHE* in English 0842 GMT 24 Apr 92

[Text] Beijing, April 23 (HKCNA)—The Beijing Federation of Industry and Commerce recently appealed for a narrowing of the gap between Beijing's nonpublic ownership economy and its level nationwide. The appeal was made at the Fifth Session of the Seventh Beijing People's Political Consultative Conference.

Sources concerned pointed out that since the implementation of reform and opening to the outside world policy, the central government authorities, in view of China's present level of development in productive forces, have been encouraging the development of various forms of nonpublic ownership economy, thus making them grow steadily. Beijing's nonpublic ownership economy is quite small compared with other places in China. Taking the case of private enterprises as an example, Shanghai has over 2,000 and Tianjin 1,800, while Beijing has only a little over 400. To compare Beijing's private enterprises with those in coastal regions and in South China, the gap is even bigger.

The Beijing Federation of Industry and Commerce believes that as a policy, Beijing Municipal Government should encourage and help the development of the nonpublic ownership economy in order to check the draining of funds, technology and talented people to other places. Public opinion favourable to such development should also be cultivated.

### Northeast Region

#### Heilongjiang Reports 59 Women Trafficking Cases

SK2304111592 Harbin Heilongjiang People's Radio Network in Mandarin 1000 GMT 22 Apr 92

[Text] According to a survey of the six cities and prefectures of Harbin, Qiqihar, Hegang, Yichun, Songhua-jiang, and Suihua, 59 cases on abducting and trafficking in women and children have occurred since 1987. A total of 114 women and children were abducted and sold in 21 counties of eight provinces, including Hebei, Shandong, and Anhui. So far, 54 have been saved, and 44 of them urgently need to be saved.

**Premier Hao Urges 'Regular Contacts' With Russia**

*OW2304113892 Taipei CNA in English 0836 GMT  
23 Apr 92*

[Text] Taipei, April 23 (CNA)—The Republic of China hopes to establish channels for regular contacts with Russian authorities and to forge mutually beneficial ties with the former Soviet republic, Premier Hao Po-tsun said Wednesday.

Hao made the statement while receiving two visiting Russian officials—Leonid Chechinskiy, chairman of the State Committee for Grain Supplies, and Aleksandr Khlystov, minister of trade and material supplies.

Calling Russia "a friend of ours," Hao said, Sino-Russian relations have deep roots. Both the government and people of the Republic of China are glad to see that Russia has abandoned communism and opted for a democratic, free market system, he added.

"Since our two countries now share the same ideals of freedom and democracy," the premier said, "we should strengthen our cooperation for our mutual benefits."

Hao told his guests he believes that close cooperation between the Republic of China and Russia will be conducive to peace, stability and prosperity in Asia.

The premier recalled that the ROC and Russia were allies during World War II. "I vividly remember that many Russian friends fought with us against Japan in the Chinese theater during the war."

After a 40-year suspension in Sino-Russian relations, Hao said he is delighted to see the arrival of the two ranking Russian officials. "I hope high-level contacts between our two countries will continue and bilateral cooperation will be strengthened on a reciprocal basis," he noted.

Hao suggested that the two Russian food administrators draw inspiration from Taiwan's land reform achievements. "Our experience in agricultural development may be worthy of your emulation now that your country is seeking to transform your collective farms into privately owned farms and to increase grain production," he explained.

As Russia is blessed with rich natural resources and well-trained engineers and technicians, Hao said he is convinced that the country will be able to build a prosperous free-market economy within five to 10 years if it adopts the right development policy and strategies.

Chechinskiy and Khlystov arrived in Taipei last weekend for a weeklong visit.

**Taipei Mayor Says Moscow Deputy Mayor To Visit**

*OW2304112692 Taipei CNA in English 0841 GMT  
23 Apr 92*

[Text] Taipei, April 23 (CNA)—The first deputy mayor of Moscow will visit Taipei in the near future, Taipei Mayor Huang Ta-chu announced Wednesday upon his return from a two-week trip to Russia and Latvia.

The visit will be part of a comprehensive program Huang worked out with his Russian hosts during his stay in Moscow to promote wide-ranging cooperation between the two cities, the mayor explained.

Huang left for Moscow April 10 to attend an annual meeting of the International Union of Local Authorities. While there, Huang also toured major construction projects and economic, cultural and medical institutions in the Russian capital. He also reached several agreements with Moscow city officials on boosting bilateral relations.

Starting in the next fiscal year, Huang said, Taipei and Moscow will launch two or three joint cultural programs annually. Taipei will invite Russian ballet troupes and symphony orchestras to perform in the city's annual music and dance festivals. Moscow student bands and honor guards will also be invited to join an international competition here.

Taipei and Moscow city governments will help organize exhibitions of Chinese and Russian art objects, and will strengthen medical and tourist cooperation, Huang reported. The two cities will also discuss the feasibility of establishing sisterly ties, he added.

During his visit to St. Petersburg, Huang agreed to invite its opera troupes and music ensembles to perform in Taiwan, and to help its artists exhibit their latest creations here. The two cities will hold a joint athletic meet in the near future, he added.

**Rice Donation Fete Held Aboard Russian Freighter**

*OW2304103392 Taipei CNA in English 0845 GMT  
23 Apr 92*

[Text] Taipei, April 23 (CNA)—A ceremony marking Russia's acceptance of Taiwan's food aid was held Thursday morning on the deck of a Russian cargo ship anchored in the Keelung harbor.

The M-V Alisher Navoy bulk carrier arrived in Keelung Wednesday evening to take back to Russia 10,000 tons of rice donated by the Republic of China [ROC].

It was the first time in more than four decades that a Russian flag carrier had called at a Taiwan port.

The ROC has donated 100,000 tons of rice to Russia in humanitarian aid.

The rice presentation ceremony was presided over by Vice Foreign Minister John Chang. Two visiting Russian officials—Leonid Tchekinskii, chairman of the State Committee for Grain Supplies, and Aleksandr Khlystov, minister of trade and material supplies, also attended the ceremony.

Another Russian vessel is scheduled to arrive in Keelung later this month to take delivery of another 10,000 tons of ROC-donated rice.

ROC flag carriers shipped 60,000 tons of rice to Russia in late March and earlier this month. The remaining rice will be delivered to the former Soviet republic next month.

### Direct Shipping Links Proposed

OW2404091892 Taipei CNA in English 0827 GMT  
24 Apr 92

[Text] Taipei, April 24 (CNA)—The Republic of China [ROC] and the Russian Federation should establish direct transportation links in order to facilitate bilateral commercial exchanges, Vice Foreign Minister John Chang said Thursday.

Chang made his call during a ceremony marking Russia's acceptance of Taiwan's food aid on the deck of a Russian cargo ship which arrived in Keelung Wednesday to take delivery of 10,000 tons of ROC-donated rice.

Presiding over the rice-donation ceremony, Chang said the food aid symbolizes Taiwan's goodwill and friendship toward Russia. "The move marks a good start in the development of sustained relations between the two countries," he noted.

Chang pointed out that the ROC is more than willing to lend a helping hand to the former Soviet republic as it strives to transform its centrally controlled communist system into a democratic, free-market economy.

Taiwan is awash with lower-priced, fine-quality consumer products while Russia is rich in natural resources. Chang said that both countries will benefit if they trade those goods.

Chang lamented that two-way trade between Taiwan and Russia has been minimal because of the absence of direct shipping links. At present, Taiwan exports to Russia are transported through a third country and vice versa. "I hope Taipei and Moscow will give top priority to the opening of direct shipping services between the two countries in order to boost bilateral trade," he urged.

Two visiting Russian officials—Leonid Tchekinskii, chairman of the State Committee for Grain Supplies, and Aleksandr Khlystov, minister of trade and material supplies—also attended the rice presentation ceremony.

After receiving from Chang a small packet of rice wrapped in a package printed with ROC and Russian national flags, Tchekinskii said the Russian Government and people appreciate Taiwan's food aid.

"My country also hopes to expand trade and economic cooperation with Taiwan," Tchekinskii stressed. "We must work out more cooperative programs for our common interests."

The two Russian officials arrived in Taipei last weekend for a weeklong visit. They left for home Thursday evening after attending the rice presentation ceremony.

The M-V Alisher Navoi, the first Russian flag carrier to anchor in a Taiwan Port, is scheduled to leave Taiwan for Vladivostok within five days after being loaded with the 10,000 tons of rice.

The ROC has donated 100,000 tons of rice to Russia, 60,000 tons of which were delivered in late March and earlier this month. Another Russian vessel will arrive here next week to take an additional 10,000 tons of rice back to Russia.

### Cabinet Approves Investment Pact With Paraguay

OW2404093492 Taipei CNA in English 0835 GMT  
24 Apr 92

[Text] Taipei, April 24 (CNA)—The Cabinet Thursday approved a 10-year mutual investment guarantee agreement with Paraguay.

The pact aims to facilitate investments in each other's territory, thereby promoting economic cooperation and development, the Ministry of Foreign Affairs said.

Foreign Minister Chien Fu and his Paraguayan counterpart Alexis Frutos Vaesken signed the accord on behalf of their governments in Taipei earlier this month.

### Bolivia, Jordan, Madagascar Officials To Visit

OW2404093192 Taipei CNA in English 0839 GMT  
24 Apr 92

[Text] Taipei, April 24 (CNA)—Bolivian Vice President Luis Ossio Sanjines and Mrs. Ossio are scheduled to arrive in Taipei Friday evening for a six-day visit.

Ossio will be the highest ranking official from Bolivia to visit Taipei since the two countries severed diplomatic ties in 1985, a Foreign Affairs Ministry official said.

Substantive relations between Taiwan and Bolivia, however, have improved continuously since Taipei established a Republic of China [ROC] Trade and Consular Office in La Paz in 1990, the official said.

Accompanied by Senator Antonio Eudoro Galindo Anze [name as received], Ossio will call on Vice President Li Yuan-zu and other ranking Chinese Government officials. The Bolivian vice president will also preside over a ceremony opening the Bolivian Trade and Monetary Representative Office in Taipei.

Meanwhile, 'Ali Abu-al-Raghib, minister of energy and mineral resources of Jordan, and Dr Salih Irshaydat, minister of youth, will arrive in Taipei Friday for a week-long visit.

While here, the Jordanian officials will call on Premier Hao Po-tsun and other ranking government officials. They will also visit cultural and sports institutions in Taiwan.

In addition, Madagascar's Transportation and Weather Minister Aime Rakotondrainibe will fly into Taipei Friday for a five-day visit.

The French- and English-speaking minister will meet with his Chinese counterpart, Eugene Chien, and other government executives during his stay in Taipei.

**Li: Direct Mainland Contact To Take 'More Time'**

*OW2304143892 Tokyo KYODO in English 1346 GMT  
23 Apr 92*

[Text] Taipei, April 23 KYODO—Taiwan's President Li Teng-hui said Thursday that Taiwan will need more time before it starts direct contact with mainland China in trade, communication, and travel.

But Taiwan will seek expanded economic cooperation and allow residents to travel freely between the areas, on condition that a peaceful coexistence is maintained with the mainland, Li said.

Speaking to a Japanese press mission involving editors from nine influential local dailies, the head of the ruling nationalist party said that if trade, communication, and travel is opened at present, Taiwan is likely to be forcibly absorbed by mainland China.

Li said that Taiwan will take its time to improve relations with China, adding that if the two sides increase exchanges of scholars, engineers, and journalists, Beijing may naturally change its stance.

During the 90-minute meeting, Li said that it is necessary to bring Taiwan and the mainland under unified rules but timing is still in question.

Asked if he is ready to meet and talk with senior Chinese leader Deng Xiaoping, Li replied "What should we talk (about) in such a meeting? There is nothing for me to talk with him now," Li said, denying the possibility that the two leaders would hold a meeting in the immediate future.

Meanwhile, on the presidential election system in Taiwan, Li said that he agrees that the next president will be elected by residents, and that Taiwan is generally in favor of a direct election.

The presidential elections are scheduled for 1996, when Li's first six-year term ends. The opposition Democratic Progressive Party has been demanding that the election polling method be changed.

Li declined to comment when asked about his aspirations to run for the presidency in the case of a direct election, citing fears of political disorder.

But he stressed that he believes he has gained support from Taiwan's residents.

**Travel Agents To Stop Mainland Tours 1 June**

*OW2404092192 Taipei CNA in English 0814 GMT  
24 Apr 92*

[Text] Taipei, April 24 (CNA)—Travel agents in Taiwan announced Thursday that they will jointly stop organizing tours to Mainland China beginning June 1.

Leaders of Travel Agents Associations said another "concrete step" to be taken to protest Peking's [Beijing] unreasonable new regulation on travel documents is to cancel their participation in the 1992 "China Travel Fair" in Peking.

The travel agents said they will not organize any group tours to Mainland China until Peking changes its new requirement that Taiwan residents present passports and household registers when applying for entry permits.

They called on the general public to join in the boycott.

The travel agents will also launch a "one person, one letter" campaign to urge their mainland counterparts to pressure mainland authorities on the matter.

The travel agents' decision was supported by the Tourism Bureau, which will send officials to the airports to crack down on "illegal" agents suspected of "smuggling" tourists to the mainland.

The bureau urged the people to support the boycott in order to ensure their own interests and safety.

The Chinese National Federation of Industries and seven other industrial unions also issued Thursday a joint statement urging mainland authorities to make a "goodwill response" to Taiwan.

The "discriminative and stringent" Peking rule will certainly pour cold water on Taiwan compatriots intending to tour or invest on the mainland, the statement said.

The new travel document requirement has also reminded Taiwan businessmen of the mainland's fickleness and the risks involved in their investment there, it added.

The industrial sector's move fell short of the travel agents' hope that Taiwan businessmen would temporarily suspend trade with and investment on the mainland.

The Mainland Affairs Council (MAC), supporting the travel agents' action, said it will take countermeasures after April 25, when Peking authorities will reportedly meet to decide whether or not to revoke the new regulation.

Chen Ming-chang, director of the MAC's Department of Economic Affairs, said the MAC may stop increasing cross-strait exchanges if Peking does not change the regulation before May 1.

**Government To Keep Unwelcome Persons 'Blacklist'**  
*OW2304130292 Taipei China Broadcasting Corporation News Network in Mandarin 2300 GMT 19 Apr 92*

[From the "National News Hookup" program]

[Text] On the question of whether the "blacklist" will be discarded for good after revision of the National Security Law is completed—an issue drawing attention from the government and the people—Liu Peng-chun, a spokesman for the Bureau of Entry and Exit under the Ministry of the Interior, said: After the amendments to the National Security Law have gone through legislative procedures, those who were on the government's watch list for having made pro-Taiwan independence remarks overseas are expected to be freed from the restriction beginning 1 July 1992. However, the government will still make a watch list of those persona non grata in accordance with international practice, of which the unwelcome persons will refer to a handful of dissidents, mainlanders, overseas Chinese, and foreigners who are likely to harm the national security upon their entry.

Liu Peng-chun stressed: Entry control of the Chinese will be stipulated in the National Security Law. The control of foreigners on the persona non grata namelist will be handled in accordance with the Regulations Governing Foreign Passports and Visas.

Liu Peng-chun also noted: The watch list of those persona non grata is mainly aimed at guarding against the hidden dangers and threats these people may cause to national security upon their entry.

**Executive Yuan Retains Security Law Principles**

*OW2304114992 Taipei China Broadcasting Corporation News Network in Mandarin 2300 GMT 19 Apr 92*

[From the "National News Hookup" program]

[Text] In the face of legislators' request to abolish the three principles in the National Security Law—the people of the Republic of China shall not violate the Constitution, advocate territorial division, or advocate communism—the Executive Yuan still intends to get rid of the first principle only and to preserve the remaining two. The Executive Yuan also wishes to garner legislators' support through a consultation between the party and the government.

As for the clause in the Civic Organization Law concerning the punishment of disbanding a political party, the decisionmaking body has reached a preliminary

consensus that the responsibility of amending the Constitution and relevant laws be shifted to the Council of Grand Justices.

An official of the Executive Yuan noted that as the Council of Grand Justices is currently only authorized to interpret the Constitution, but not to make a verdict, therefore, it is necessary to amend the Constitution and the relevant Organization Law if the Council of Grand Justices is given the power to punish political parties in the future.

It is noted that if it is decided in policy that the Council of Grand Justices will be empowered to disband political parties, the ruling party will submit a motion to amend relevant constitutional articles to the upcoming second-reading meeting of the National Assembly's provisional session.

**Editorial Criticizes Anti-KMT March, Protest**

*OW2304142592 Taipei CNA in English 1353 GMT 23 Apr 92*

[“Haste Makes Waste (editorial)"]

[Text] Taipei, April 23 (CNA)—The following editorial appeared in Thursday's EXPRESS NEWS, an evening daily published by CENTRAL NEWS AGENCY.

**Haste Makes Waste**

Thousands of people marched down a number of major thoroughfares in Taipei on Sunday, demanding that the National Assembly so amend the constitution as to make direct, popular suffrage for the president possible. The march kicked off what the opposition Democratic Progressive Party has described as the longest ever anti-Kuomintang [KMT] drive in Taiwan's history.

Participants have dwindled in number, but they started pitching camp in front of the Taipei Railroad Station on Monday, blocking traffic in the center of the city and inconveniencing hundreds of thousands of people in the process.

And the anti-Kuomintang drive campaign organizers say that their people would stay in place until the ruling party requires the National Assembly to make the demanded constitutional amendment.

The Kuomintang has refused to comply with the demand, although it has also proposed to elect the president by direct, popular vote. As a matter of fact, the ruling party presented two proposals, one for popular presidential election and the other for an electoral college, to its delegates to the National Assembly last month, and asked them to adopt one of them "in full accordance with the will of the people."

The National Assembly, the Kuomintang has made clear, will have to adopt one of the two proposals one year before President Li Teng-hui's current term expires in May 1996. And President Li himself has said he believes the National Assembly, where Kuomintang deputies form more than a

three-fourths majority, will obey the will of the people and decide on the direct, popular suffrage.

In other words, almost everybody is agreed that the next president will be elected by popular vote. The only difference between the ruling and the opposition parties is the timing. The democratic progressives want the direct election now. The Kuomintang wants to have it in a few years.

But the opposition party has staged the anti-Kuomintang drive anyway, causing hundreds of millions of dollars in damage to the people of Taipei. Democratic progressives ought to know haste only makes waste.

### **'Mild' Police Operation Disperses DPP Marchers**

*OW 2404085692 Taipei CNA in English 0807 GMT  
24 Apr 92*

[Text] Taipei, April 24 (CNA) —Police launched a "mild" operation Friday morning to disperse more than 1,300 Democratic Progressive Party [DPP] demonstrators who had occupied major thoroughfares near the Taipei Railway Station for exactly 80 hours.

National Police Administration [NPA] Director General Chuang Heng-tai, who personally commanded the police operation, said the action had been delayed for three days because he had been waiting for a "political solution."

"During the operation, persuasion and dispersion proceeded smoothly in a rational and tolerant way," Chuang reported.

He added that the "ultimate purpose" of the early-morning police action was to "restore traffic order" in the downtown area.

Thousands of riot police began surrounding the DPP "marchers for the direct election of the president" at 4:39 A.M.

Before they moved, they urged on-lookers as well as demonstrators to disperse by themselves.

Unable to persuade the demonstrators, who sat on the ground linked arm-in-arm, the police used water cannon and then carried the demonstrators away to waiting buses.

Hsu Hsin-liang, DPP chairman, was the last to be carried onto the bus.

Scores of people were slightly injured and sent to the National Taiwan University [NTU] Hospital while other demonstrators were bused to the NTU campus on Roosevelt Road.

Soon after the clean-up, a woman office worker walked through the Chunghsiao West Road in front of the station, part of the streets which had been occupied by the demonstrators.

The DPP issued a statement Thursday afternoon admitting that their protests had caused "traffic inconvenience" and incurred "social costs."

It urged the people to understand that the protests against the ruling party were being staged under the principle of nonviolence.

In addition to the direct popular election of the president, the DPP also called for the abolition of the Sedition Law and the release of political prisoners.

Other social movement groups joining the DPP demonstration said they were "fighting for the people's social rights" and opposing the construction of the fourth nuclear power plant.

Sixteen Li chiefs in the Chungcheng District of Taipei published a joint statement strongly denouncing the DPP and its supporters for disrupting daily life in the heart of the capital city.

The Li chiefs accused the protesters of "occupying the road like bandits" in disregard of the inconveniences caused to students, office workers, and local residents.

The NPA chief told the Legislative Yuan that he had no opinion on the DPP's political ideas but the opposition party should not take "unlawful" action to promote its ideas.

DPP legislators accused Chuang of failing to keep neutrality in his handling of the DPP protest.

Yeh Chu-lan and Peng Pai-hsien, both DPP lawmakers, ridiculed Chuang for "purposely toeing the Kuomintang and its media policy line" by sealing off larger-than-needed areas so as to cause public complaints about the DPP.

The police chief replied that the traffic controls had been caused by the DPP marchers.

### Hong Kong

#### U.S. 'Has No Right' To Interfere in Hong Kong

HK2304144492 Beijing FAZHI RIBAO  
in Chinese 12 Apr 92 p 4

[Article by Xin Li (6580 0500): "Do Not Imagine It Is Possible To Apply U.S. Laws To Manage Hong Kong Affairs"]

[Text] Richard Solomon, U.S. assistant secretary for East Asian and Pacific Affairs, recently expressed in public his support for the "1991 U.S.-Hong Kong Policy Act" sponsored by U.S. Republican senator Mitch McConnell, in a bid to apply U.S. laws to manage Hong Kong affairs. This has openly exposed the attempt of some political forces in the United States to internationalize the Hong Kong issue.

At the hearing on 1991 U.S. policy toward Hong Kong held by the Foreign Relations Committee of the U.S. Senate on 2 April, Solomon said that the U.S. Government supports in principle the Hong Kong policy bill drafted by the Congress, which enables the United States to use its domestic laws to evaluate Hong Kong, which is a "non-sovereign entity" different from China, and to continue to maintain contacts between the two sides after 1997. He also blamed some of China's practices for Hong Kong's current political issues. The U.S. Government official's frank statement has thoroughly stripped off the mask that McConnell's statement put on the bill: "The Hong Kong policy bill has been drafted with prudence, and the contents do not overstep the Joint Declaration."

Hong Kong, which has always been China's territory, was occupied by Britain through the unequal treaties. This problem left over from history has been resolved through talks between the Chinese and British Governments. The Joint Declaration that has been signed by the two countries states: The Chinese Government has decided to resume sovereignty over Hong Kong effective 1 July 1997. The British Government will restore Hong Kong to the PRC effective 1 July 1997. How come Hong Kong has become an "entity separated from China," which has "independent status," and is a "non-essential entity" as asserted by U.S. Government officials and in the McConnell bill? Have these terms been taken from the Sino-British Joint Declaration? Are these not acts overstepping the Joint Declaration?

The McConnell bill and statements made by U.S. Government officials also constitute a brazen violation of the basic principle of international law that no country should meddle in the internal affairs of another one. The Hong Kong issue is a Sino-British concern before 1 July 1997 and an internal Chinese affair from that date onward. In light of the principles of international law, both before and after China's resumption of sovereignty over Hong Kong, the United States has no right to interfere in Hong Kong affairs under any excuse, or to internationalize the Hong Kong issue. If the statements

of certain U.S. political figures are tenable, we would like to ask: If a country drafts a bill on a certain U.S. state, regards the state as an entity separate from the United States, and makes indiscreet remarks about that state, would that be acceptable to the U.S. Government?

The attempt by certain U.S. political forces to encroach on Hong Kong did not start on this date. According to a report carried in the Hong Kong media in October 1989, a U.S. "traditional foundation" of the Washington political think tank published a report which said that the United States cannot remain passive or be an onlooker on the Hong Kong issue. From now on, the United States should forsake its low-key policy and take an active part in Hong Kong affairs. The report said that they made the above offer because "Washington must be aware of the following: In view of its striking economic and cultural position in Hong Kong, the United States will inevitably replace Britain and become the most important Western nation in Hong Kong." This statement reveals the attempt of certain U.S. figures on the Hong Kong issue.

In light of the strategic intention of this report, McConnell proposed the "U.S.-Hong Kong Policy Bill" in 1991, offering the "legal ground" for the United States to meddle in Hong Kong affairs. Later, McConnell cooperated with Mike Lugard and Simon in jointly drafting a resolution "Urging Hong Kong to Accelerate the Pace of Democracy." In March 1992, a female commissioner from a research office of the U.S. Congress made a so-called speech "showing concern" for Hong Kong affairs. On 2 April, Solomon, U.S. assistant secretary for East Asian and Pacific Affairs, made a statement as well.

Certain U.S. figures' interference in Hong Kong affairs is conducive neither to the implementation of the Sino-British Joint Declaration nor to Hong Kong's stability and prosperity. In the long run, it will harm the relations between China and the United States and will affect the immense interests of the United States in Hong Kong. Certain U.S. political figures are fond of applying U.S. laws to manage the affairs of other countries, and they always try to formulate laws to interfere in their internal affairs. Now the United States has played this trick again on the Hong Kong issue; however, this trick will no longer be effective. They had better take it back or it might harm themselves before doing harm to others.

#### PRC Patrol Boat Collides in Territorial Waters

HK2404033692 Hong Kong SOUTH CHINA MORNING POST in English 24 Apr 92 pp 1, 2

[By Luisa Tam]

[Text] A mainland security patrol boat has been damaged after colliding with a foreign cargo vessel inside Hong Kong waters.

Yesterday the incident was described by Hong Kong officials as a "political embarrassment" for the Chinese.

The matter may be raised by the administration with China through the border liaison channel to prevent similar occurrences.

The incident took place between late Saturday and early Sunday near Waglan Island.

It has been disclosed only a day after China announced that it had already stopped unlawful incursions by its security officers into Hong Kong waters from the end of March.

A senior government source explained the matter had been kept well out of the public eye, because the Chinese thought "too much face had been lost" over the incident.

He said the Chinese patrol boat collided with a cargo vessel late at night in bad weather.

"The visibility was very bad, there was heavy rain and fog. The Chinese vessel may have been going too fast, causing it to run into the cargo vessel.

"The Chinese officers on board quickly made a report to the Hong Kong authorities for assistance in fear that the boat might sink. The Marine Police immediately rushed to the scene to help," the source said.

"It would have been even worse and caused more embarrassment if the Chinese boat had sunk," he said.

The number of crew on board the Chinese patrol boat was not clear, but the source said five members, believed to be armed and in green uniforms, were slightly injured in the collision.

The origin of the cargo vessel remained unknown. However, it was not damaged in the crash because of its size.

The source said details were sketchy because the situation was quite urgent at the time.

Although the extent of the damage to the Chinese boat was not known either, the source said it had "great difficulty in keeping itself afloat" when Marine Police launches arrived.

The Chinese patrol vessel later called in a number of mainland tugboats to tow it back to its home port at Shekou.

Shenzhen border commander Mr Wang Gong-jian had said on Wednesday that Chinese officers had been told not to enter Hong Kong waters even if it meant they had to give up pursuing smugglers.

Another local senior marine official had expressed concern about the way Chinese security vessels were navigated inside Hong Kong waters, although he admitted the Chinese now took more care.

"Although we are more concerned about the way smugglers drive their speed-boats, the way Chinese patrol boats are driven can not be described as perfect of course. We obviously don't want this (kind of accident) to happen again," the marine official said.

Despite the fact that the Chinese security boat was inside Hong Kong waters when the accident took place, officials said technically the matter was not a breach of policy because it was only in transit, taking a short cut to its home port and was not involved in any law enforcement exercise.

Meanwhile, authorities at Shekou were yesterday still holding the eight Hong Kong men arrested on Tuesday for suspected smuggling.

A working group from the Guangdong Public Security Bureau's border control branch will be sent to Shekou to assist with the investigation.

The identities and ages of the suspects have still not been released.

The group was arrested on board two Hong Kong vessels with a total of nine cars on board, in Chinese waters near Po Toi Island by armed mainland security officers.

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